

CONCEPTUAL ANALYSIS OF HUMAN RESOURCES IN THE CONTEXT OF KNOWLEDGE

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Abstract

The management activity of human resources has evolved along with economy and society. Everything that changes involve influences the way of administrating human resources. Our analysis wishes to be a theoretical analysis of the main specific concepts of the activity of human resources management, starting from that of management of the personnel and ending with that of international strategic management of human resources. The concept evolution we will refer to is incurred by both a huge information flux and the economic liberalization and globalization. These phenomena have created and consolidated dependencies, and in a knowledge-based economy and society, the redefinition, adaptation and consolidation of the main economic and social processes is absolutely necessary.

Key words: knowledge economy, economic liberalization, human resources

The more liberal the economy grows, and the more pieces of information it accumulates, the more unpredictable becomes the way to administrate the personnel. Internationalization is decisive for an effective management of human resources, a necessary aspect for the integration in the current global economic context.

According to Encyclopaedia Britannica, knowledge doubles in just a few years, which leads to unimaginable changes in all the fields, including economy and society, the labour market being no exception.

The management of human resources is defined as the totality of decisions, activities and practices that influence the nature of the relationship between organization and employees (Beer M. et al., 1984).

The management of human resources is a vital function of organization, it involves all employees and needs a long run strategy that should have in view the traditional practices of human resources administration, the changes in the internal and external milieus of the company, so that the latter could take the most advantageous position on the market. Michael Poole thinks that the theoretical basis of the management of human resources is a combination of multi- and interdisciplinary elements (Poole Michael, 2000) and it interferes with disciplines like economy, occupational psychology and sociology.

More and more managers admit that the personnel problems are increasingly difficult. The companies are forced to adapt themselves to a mix of organization cultures and personalities, an aspect that is not easy at all.

The management of human resources means more than performing a function or make business. This is an activity with an impact upon the employees, upon the activities that they perform and, above all, upon the individual and the organization's results.

MATERIALS AND METHODS

This paper is based on scientific papers acknowledged in the management field. It has a profound theoretical and applied nature and our intend is to develop a theoretical vision with applicability in the current economic period based on knowledge.

RESULTS AND DISCUSSION

From personnel management to strategic international management of human resources. Conceptual notions

Over the last century, the human resources management has been submitted to important modifications. In Taylorism, human resources management was focused on the programmes of personnel selection and remuneration, with a view to controlling and stimulating the productivity of

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Table 1

**Personnel management vs.
Human resources management**

Personnel management		Human resources management
Internal	Milieu	Internal and external
Operational (recruitment, selection, motivation)	Objectives	Complex (operational and strategic)
Functional	Type of management	Partnership-like
Economists/ Top managers	Composition of department	Economists, psychologists, sociologists
Individual	Type of work	Team/group
Confrontational	Work atmosphere	Harmonious
Short and medium	Terms	Short, medium and long

Source: Schuler S.R., 2000

the performing employees (It is more than necessary to state that the Taylorism-inspired management, though obsolete now, is much utilized. Many of the organizations that make the financial earning their main objective, if not the only one, resort to Taylorism theory and principles that can offer short and medium term advantages.).

The dynamics one can analyse from the beginning of the 1900s to now has led to a modification of the conceptual notions. For instance, the concept of personnel management was a quite functional label until the 1980s; after that, the concept of human resources management started to be used. Now, in a knowledge based society, while the markets are characterized by a quasi-total degree of liberalization, other two concepts find their place in economic theory: the strategic management of human resources and the strategic international management of human resources. They reflect reality in a much faithful way, in its complexity and in accordance with the modifications brought forth by the economic openness. We will briefly analyse, in the following, these four concepts that characterize the activity of human resources management.

The personnel management has a perspective limited to what happens in the organization, summing up traditional activities, like recruitment, selection and motivation, the decisions are made by the top management, work is individual, and the work atmosphere is confrontational.

The human resources management has a more complex perspective. Beyond the already traditional activities, it includes, among other things, practices that are meant to solve problems related to environment, to professional and intellectual development, occupational safety and health. The human resources management includes operational and strategic activities; thus the orientation of decisions covers, from a temporary point of view, the short, medium and long run. Furthermore, the influence of internal factors (employees, material and financial resources, technologies and equipments, etc.) is analysed as well. While the personnel management only aims at attracting, maintaining and motivating the employees, the human resources management also purposes to raise competitiveness, profitability, the market share, to target new market niches, to obtain competitive advantages, to stimulate innovation, creativity, flexibility, to get over conflicts. Recruitment, selection and motivation remain fundamental activities in the human resources management, very important in order to reach the objectives.

As the macroeconomic processes developed, and economic liberalization brought forth new opportunities of development and progress, a new concept appeared, that of strategic management of human resources.

Strategic management of human resources represents a combination of very complex actions that, by the agency of the activities, policies and practices that are used, integrate and connect with each other the departments, the workstations, subsidiaries and branches of the organization. The purpose is to use the human resources as efficiently as possible, for the company to reach the strategic objectives. The strategic management of human resources is extended beyond the organizational milieu. Companies modify their strategy in the periods of crisis or redefine it by drawing a new plan for their maintenance on the market, for their growth, adaptation and profitability. Social pressure determines the organizations to make decisions and to act in a more responsible way. This social pressure is exerted from the organization's outside milieus, by the partners, the clients, the providers, the competitors, and from the inside milieu, by the employees, the shareholders, the investors.

The internal characteristics (like culture, work flexibility, the nature of the business) and the external ones (like the economic circumstances, the technical-scientific progress) determine the organizational necessities, whose accomplishment needs time and a strong relation between the activities of human resources and the operational ones.

Economic liberalization created the conditions for the introduction of the concept of competitive management of human resources, taking into consideration the features of the

internal and external milieus. The specific characteristics of the internal milieu are the consequences of those coming from the external milieu, or, in other words, the response to what happens in economy and in society.

As soon as competition intensifies, appears the question related to the factors that help the society, the economy and its organizations to adapt themselves to fast changes in a competitive environment. One of these factors is the flexibility of work. A deregulation of the labour market is made, first of all, by the pressure of the multinational companies. All organizations, regardless of their object of activity, size or field of activity, are forced to adapt their practices and activities, including the personnel ones, to the general tendencies.

Another particularly important factor is culture. Each economy has its culture, just like each organization, and this influences management too. One of the main changes due to the internationalization of activities is the adaptation of the human resources management to different culture, by conceiving a strategy that takes into consideration cultural particularities that interfere within the same organization. The more a company is globalised and diversifies its field of action, product and activity portfolio, the more diversified grows the personnel, and its main characteristic feature becomes the intercultural one, and that requires great efforts of adaptation. Many times, being intercultural was a major obstacle in the company's development. Cultural aspects deemed minor brought forward the failure of companies on different markets. For this reason, even if the economic conditions recommend one market, the entrance only takes place after feasibility studies were made, taking into consideration the specific cultural elements as well. For instance, it is well-known that about 75% of the joint-ventures fail from the start-up period (the first 5 years of working) because of cultural maladjustment. Respecting the culture of the employees and adapting different cultures together eliminate many obstacles. To harmonize different cultures involves knowing the colleagues' language, or a common language, respecting the religion, ethnicity, customs of the employees and of the clients as well. The organization forms its own culture, according to the employees' human and cultural characteristics and to the socio-economic particularities of the states where the company works or sells products. There is no company that would not develop an organizational culture. Culture determines the manner in which activities (labour) take place and decisions are made.

Organizational culture includes the collective standards of thought, of attitude, values, convictions, norms and customs existing in an organization (www.elfconsulting.ro), i.e., visible elements (common behaviours and language, rituals and symbols) and less visible elements (perceptions, representations about the values of the organization, myths, empiric standards about the meaning of adequate work and conduct). A strong influence on the organizational culture comes from the management style, the decision-making style, formalism, the organizational pattern, the policies, the know-how and all that supports a certain type of work and behaviour. The organizational culture analyses the values and principles of the organization and introduces the company into a chain of tacit significances that grant specifically human meanings to all organizational activities and processes. Culture is the most important resistance factor in any process of change, regardless of its scope. Organizational culture is compared with the personality of a human being: it is hard to build, and even harder to change. The difference is that organizations, in order to survive, must change (www.elfconsulting.ro). If people do not accept change, and the management cannot convince them of its necessity, the organizational equilibrium becomes rather fragile.

Under the conditions of economic liberalization, the traditional approaches are partially abandoned for an effective management of human resources to be reached. One of the factors that deeply modified the type of organizational management, the economy as a whole, society, the life styles and mentalities, is technology (equipments, machines, methods of utilization, know-how). All organizations, regardless of their field of activity, of their size, form of property, of the markets they work on, use technology. Technological development (physical components and processes) takes place in an increasingly faster rhythm and submits the organizations to a strong competitive pressure, determining them to acquire and implement the newest installations, equipments, and working methods. Along with the technological boom, the labour market has changed, as the technical capital has different consequences upon the human resources field, according to its properties: it creates job opportunities (if the implementation involves the employment of persons able to manipulate it), it does not modify the number of workplaces (the employees are able to work with the elements of the technical capital), it reduces the number of workplaces (the technical capital replaces the labour force). The technologies that

replace the labour are investments in productivity. These investments, on the medium and long runs, reduce costs and, once they are introduced, contribute in raising the productivity, justifying the financial effort to acquire the latest technological capital.

The new technologies require methods of utilization involving abilities and knowledge that the employees do not have. The personnel, in order not to lose their job, must take retraining or development courses. If a few decades ago, an employee could use the knowledge he had acquired in school all over his active period, today this is not possible any more. The training periods are more and more frequent. The young employees easily accept the idea of continual professional development, unlike the older ones, who do not have the same openness to changes and, therefore, are a vulnerable segment of the labour market. Beyond the fact that the labour market demands persons that are open to change and easily adaptable, it also requires people whose training is a complex ones, given that skills, knowledge and abilities are limited.

Dexterity is not any more an employee's main quality. Physical work is replaced with technology. Sometimes, this means the work of hundreds of people. Technology eliminates the workplaces of people with low-qualification and of those who perform mechanical activities, who do not manage to get out of the old patterns and adapt to new realities. The positive effect on the labour market is the reduction of the unemployment rate among the highly qualified persons, but there is also a negative effect, easy to anticipate, i.e. the raise of the unemployment rate among the persons who do not accept the idea to take training or re-training courses in the professions that the market demands at a certain moment.

The introduction, on a large scale, of the new technologies, destroys the organizations' hierarchies, the distances between managers and employees, drawing thus the framework of a higher quality management and production. Under the impact of technologies as well, the organizational patterns become more dynamic and more flexible.

Another tendency manifested under the influence of technology, especially the communicational one, is the transfer of work from office home, the movement of company headquarters to less congested areas, cheaper from the point of view of the costs of dues and locations, i.e. peripheral or rural areas. Furthermore, the internet and the information programmes allow an effective administration of the stocks and facilitate the relationships with the providers, the clients and

the distributors, create possibilities to sell the products on markets under the form of electronic trade, whose importance is continuously rising, and allows the performance of different activities outside the organization's headquarters.

Another factor modifying the way in which the human resources management is made is demography. The population growth and the increasing life expectancy determine the increase of the segment of active population and of the one of inactive population. The latter should be backs up by the work and efforts of the persons able to work. For both men and women, the active period has increased and the general tendency is to prolong it, to different ages from one country to the other, according to the economic conditions and to the demographic indicators. The elder employees are regarded as resisting change, especially when it comes about implementing new programmes and technologies, or about physical mobility, but this is only partially true. The employees in the second half of their active period are often more productive than the young ones, due to their experience, perseverance, knowledge, capacity to identify themselves with the company's values, and loyalty to the organization. Knowledge and experience are fundamental factors, which contribute to obtaining productivity pluses. More and more frequent are the situations in which the organizations choose collaboration with mature persons, even persons who are theoretically not in the working field any more, in order to benefit from their experience and knowledge.

The young and well-trained employees are usually proactive, and succeed in managing alone their careers, without making the employer responsible for this aspect. The proactive attitude is appreciated by and very helpful fro the organization, but there is a high risk for these persons to leave the company as soon as they find a new opportunity on the market; and opportunities often come from the competing companies.

Society also changes, in its turn, and thus influences the labour market. The women's role has modified. If, at the beginning of the last century, women were housewives and their only obligation was to take care of the house and of the children's education, after World War II they had to enter the labour market. Today, women are educated, ready to work and to act. Furthermore, women proved their qualities in management key-positions, with very good results. Unfortunately, tendencies of change are notices in relation to family too. There are more and more single-parent families or families where both partners are first of all oriented towards careers. In the case of single-parent families, most of the times women with

children, the adult finds hard a balance between the responsibilities he/she has home and the ones he/she has at work, especially that the organizations demand loyalty and time spent at the workplace, more than fulltime. In the case of families where both partners are focused on career development, or there are no children, or their growth and education are delegated to other persons, a very visible aspect in the developed economies, where the age pyramids is reversed. The developed countries face an acute deficit of young population, translated by a deficit of active population in the future.

Tightly related to the concepts of strategic management of human resources and competitive management of human resources is the one of international management of human resources. The concept develops naturally in a competitive, dynamic, volatile economy, where frontiers, in they exist, are fragile. The great advantages of economic liberalization are, among others, the penetration on new markets, the prolongation of the cycle of life of products, the acceleration of amortization, the increase of the turnover and of profit. The international management of human resources involves knowledge and the adaptation to the conditions, society and culture on third markets. What makes the difference between the international management of human resources and the personnel management is the complexity of the activities performed on markets with different characteristic features, by active multinational teams, under the umbrella of the same organization.

The strategic international management of human resources, another relatively recent concept, includes the activities, policies and functions of administration of human resources, achieved as a result of the strategic activities of the organization, which reflect upon the objectives to reach on the international markets (Schuler R., 2000). This concept includes all the other concepts we referred to, being the most complex of them all. Its definition resembles the one of the management of human resources in the internal context, but allows the analysis of some connected factors, specific to the international markets. (Michael P., 2000) thinks that the international strategic management of human resources is not at all revolutionary, but bring the personnel function on the foreground of the organization's preoccupations. Man is the most important link. Human resources are reconsidered, and the idea to label it as a component of the capital is given up. Hierarchies disappear, and so do prejudices, and the managers are involved together with the employees in the productive activity. The current characteristics of the human

resources management reflect the national, regional and global facets of competition and technological and innovation development.

CONCLUSIONS

In this paper, we followed the characteristic concepts of the activity of human resources management, from the simplest to the most complex one. The current management of human resources is also associated other relatively new concepts, like: the talents management, the knowledge management, the performance management, the rewarding management and probably many others, resulted from the necessity to analyse as adequately as possible the processes taking place in a company. In a dynamic, competitive economy, based on knowledge, improperly called a knowledge economy (let us not forget that evolution is conditioned by knowledge. Knowledge has accompanied us from the very beginnings. Today we go through a period characterized by two major crises, a moral and a spiritual one, and by a decrease at the level of consciousness that goes together with an unprecedented progress at the level of knowledge), the very way of administrating the personnel is modified too, a fact that we have demonstrated by focusing on the determining factors.

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