

ABSTRACT: Various attempts have been made towards tracing the historical development of the discipline of Human Resource Management (HRM). Donkin (2001) neatly sums up the result as follows:

"...Like an improved soap powder with a biological ingredient, HRM, equipped with something called strategy, promised a new set of tools and measures to reward, motivate and organize employees in the re-engineered workplace..." For a generation, managers had been seriously constrained in terms of how they approached the people-related aspects of their activities (Taylor, 2011). Now they had an opportunity to take control and create approaches that were appropriate for their own organizations' particular circumstances. HR strategies were developed, new individualized pay arrangements introduced, formal performance appraisal systems established, and competency frameworks defined. Employers also seized the opportunity to employ people more flexibly, establishing more parttime and temporary jobs, outsourcing 'non-core' activities to external providers and abolishing long-established lines of demarcation which determined where one group of workers' duties ended, and another's began.

At the same time, new methods of relating to workers had to be established to replace union consultation and negotiation arrangements, so there was the spread of a range of new involvement and communication initiatives along with a preference for single-table or single union bargaining in circumstances where trade unions retained an influence. In short, HRM can Global Journal of Human Resource Management Vol.3, No.3, pp.58-73, May 2015 Published by European Centre for Research Training and Development UK ([www.eajournals.org](http://www.eajournals.org)) 64 largely be explained as a response on the part of organizations to a newfound freedom to manage their workforces in the way that they wanted to. Fewer compromises had to be made, allowing decisions to be made and strategies to be established which operated exclusively in the long-term interests of organizations. Building upon previous developments, this stage represents the integration of personnel management and industrial relations and HRM into a coordinated and strategic approach to the management of an organization's people, signaling the eventual birth of strategic human resource management (SHRM) (Nankervis et.al (2011) .

SHRM can be perceived as a 'macro' perspective (e.g. strategies and policies), whereas HRM represents more of a 'micro' approach (e.g. activities, functions and processes). SHRM adds the extra dimension of the alignment of the goals and outcomes of all HRM processes with those of their organizations as a whole though both are intertwined. SHRM also provides practitioners with renewed confidence to perform their activities as an integral component of organizational success (Cengage, 2010). Stage Four (Beyond 2000) The present and future of Human Resource Management (HRM) While it is difficult to predict the nature of HRM in the future, there are strong indications that its theory and practice will be continually transformed as a consequence of globalization, new technology and associated fundamental changes in the nature of work and jobs. These external Global Journal of Human Resource Management Vol.3, No.3, pp.58-73, May 2015 Published by European Centre for Research Training and Development UK ([www.eajournals.org](http://www.eajournals.org)) 65 and internal pressures and their possible impacts on organizations, employees and overall employment conditions is what informs the continuing evolution of HRM as a contemporary discourse as well as the need for continuous innovation on the part of HRM professionals and thinkers. Some observers of HRM theory and practice (Patrickson and Hartmann 2001; Weisner and Millett 2003; Bartlett and Ghoshal 2003; Zanko 2003; Lansbury, Kitay

and Wailes 2003; Losey, Meisinger and Ulrich , 2006; Boudreau and Ramstad 2009) suggest that the implications of global economic forces such as the shift to low inflation economies, widespread tariff reductions, and the growth in multilateral and bilateral free trade agreements (e.g. Australia–Singapore, New Zealand–Singapore, Australia–New Zealand, Australia–US, APEC) demand more attention towards international HRM models. In addition, the globalization of business means that HR professionals will need to be more proactive in relation to such issues as business ethics, corporate governance and the management of employees' work–life balance. Communication and information technology changes such as the digital revolution, satellite links, cellular telephone networks and high–speed fiber optic cables (Hunt, 2003) will require the adoption of strategic international or global HRM models implemented through radical new approaches to HRM strategies, structures, organizational cultures, HRM practices and employment relationships as a whole. As Ewe (2003) explains: . . . in the competitive process of globalization and complexity, it is becoming critical to manage sustainable multinational organizations more effectively by using Strategic Human Resource Management (SHRM), and to link this with strategic needs in the larger organizational context. . . . However, (they) must also work within the confines of (their) local environment as well as a range of laws, politics, culture, economies and practices between societies. Human resource thinkers such as Ulrich, Hustled, Lepak & Snell, and Collins imply that the 'new' HRM will either specialize in HRM 'value management', 'strategic partnering' and establishing the HR 'architecture' for organizational success, or will combine such 'macro connections' with the devolvement or outsourcing of traditional HR processes respectively to line managers and external HR consultants (Kramar, 2003). Ulrich (2006) has suggested that the survival of HRM demands that HR professionals are perceived to add value to four key stakeholders in organizations, namely: a) employees who want competence and commitment b) line managers who want to make strategy happen c) key customers who want to buy more products/services; and d) investors who want the stock price to go up. This will involve the formulation of HR strategies for the business, the workforce and the HR function itself. The theme of 'partnership' between senior managers and HRM specialists is echoed by HR professionals and by their general managers. Chris Georgiou, HR Director, AGC and Westpac Financial Services, suggests that 'to be effective, you need to partner with the business very closely and that means not necessarily just understanding the business but really

Global Journal of Human Resource Management Vol.3, No.3, pp.58–73, May 2015 Published by European Centre for Research Training and Development UK (www.eajournals.org) 66 participating at the business level' (Rance, 2000). John Cooper, a partner at Freehills consultancy, goes further, emphasizing that 'HR needs to make sure it is a critical part of the decision–making processes that go with the new technology and the strategies to globalize' (Willcoxson, 2003). Boudreau (2009) reinforces this notion, asserting that 'HR must extend its focus from the services it provides to the decisions that its supports', as 'like finance and marketing, the HR function helps the firm operate within a critical market . . . the market for talent'. In similar vein, Dowling and Roots (2009) suggest that strategic HRM should now become concerned with 'finding the pivotal areas where optimization and increased performance may be attained . . . the new science of human capital'. Associated imperatives include requirements for HR professionals to demonstrate a deep understanding of their organization's business environment, the

industry challenges and opportunities, and the ways in which HR programs deliver human capability for the business to compete, the nurturing of more creative organizational cultures and the development of appropriate HR metrics, and the formulation of organizational ethical codes. These imperatives for transparency and accountability have only been strengthened following the 2009 global financial crisis (Holdsworth & Lundgaard, 2009; Wilson, 2009; Wilson, 2009). Human Resource Management as a Contemporary Issue In essence, HRM differs from earlier personnel management models in relation to its focus, its principles and its applications. HRM can be simply described as the convergence of three factors – human beings, resources and management – where human beings have the actual and potential resources (knowledge, skills and capabilities) that can be harnessed through effective management techniques to achieve short- and long-term organizational goals as well as personal needs. Thus, the focus of HRM today is on the effective overall management of an Global Journal of Human Resource Management Vol.3, No.3, pp.58–73, May 2015 Published by European Centre for Research Training and Development UK ([www.eajournals.org](http://www.eajournals.org)) 69 organization's workforce in order to contribute to the achievement of desired objectives and goals. All HR processes (e.g. recruitment, human resource development, performance appraisal, remuneration) are seen to be integrated components of overall HRM strategies hence the strategic nature of contemporary HRM. According to Beer et.al (1985), the Harvard model suggests that Strategic HRM strategies, policies and processes fall into four broad areas: a) Employee influence and involvement. This is the extent to which employees are encouraged to share their ideas and participate in organizational consultation and decision-making procedures; b) Human resource flow. All HRM functions are involved in employee management (e.g. HR planning, job design, recruitment and selection, performance review, termination etc.) c) Rewards systems. The monetary and non-monetary ways by which staff are recognized; d) Work systems. Includes consideration of the 'fit' between employees and their workplaces (e.g. technology, workplace design, teams etc.) The model further suggests that a strategic approach to HRM strategy, policy and processes fundamentally reflects management choice about how employees are managed – a choice about the nature of the employment relationship, including the 'psychological contract' between employees and their employers. As this model indicates, the principles on which HRM theories are based are generally broader and more managerial in their emphasis than personnel management. The central principle is, of course, the effective utilization of employees in order to enable the achievement of organizational objectives. Thus, the entire 'resource' of the employee should be tapped (i.e. physical, creative, emotional, productive and interpersonal components) in order to achieve this goal. In contemporary organizations, the emphasis may be more on the 'intellectual capital', 'knowledge worker', or on 'emotional intelligence' than on manual or physical skills. These issues are integral to the management of the contemporary 'knowledge worker' and will keep shaping the theory and practice of Human Resource Management, moving forward. Contemporary HRM theories also recognize that the human resource, unlike financial or technological 'resources', cannot be manipulated or 'exploited', and that it requires complex and sensitive management in order to fully realize its potential. Variations of HRM theory emphasize different aspects of management of the employment relationship, reflective of diverse national or industry environments (Nankervis et.al (2011). All HRM theories are, however,

essentially managerialist in their emphasis on the management of the workforce and accountability to ensure the achievement of desired objectives and goals. Thus, HRM practitioners are seldom perceived as employee 'advocates' except when such activities are necessary to assist the achievement of the organization's goals. As Ken Gilbert, Head of Mercer Consulting's human capital business explains, "Aside from the need to survive, one of the biggest challenges organizations face .First, personnel management has historically developed into human resource management by incorporating management theories (notably strategic management); second, a sound knowledge of these theories can assist HR managers to more effectively adapt their practices to organizational requirements and realities (Nankervis et.al (2011) Stages in the Development of HRM Human resource management in Australia and the Asia Pacific region has progressed along similar lines to its United States and United Kingdom counterparts, but with differences in the stages of development, and in the relative influence of social, economic, political and industrial relations factors. In addition, scientific management, the quantitative school and behavioral science contributed employee and management assessment and development techniques such as productivity measures, Global Journal of Human Resource Management Vol.3, No.3, pp.58–73, May 2015 Published by European Centre for Research Training and Development UK (www.eajournals.org) 62 management planning and control mechanisms (e.g. Drucker, McGregor, Chandler), psychological testing and applications of the emerging employee motivation theories (e.g. Maslow, Herzberg, McGregor). At the same time, the professional association (IPMA) and training institutions (TAFE and the universities) were becoming more sophisticated in their approaches, incorporating the ideas of the 'excellence', leadership and Total Quality Management (TQM) theories, with more recent Global Journal of Human Resource Management Vol.3, No.3, pp.58–73, May 2015 Published by European Centre for Research Training and Development UK (www.eajournals.org) 63 developments such as Kaplan and Norton's (2005) 'Balanced Scorecard.' The Humanitarian, Cooperative and Marxist theories of the early 1900s highlighted the potential conflicts between employee and employer interests in modern industry – situations that laid the foundations for the growth of trade unionism and industrial relations systems which are important elements of contemporary HRM (Nankervis et.al (2011) Governments in both the United Kingdom and the United States became involved in these issues and passed a series of laws to regulate the hours of work for women and children, to establish minimum wages for male labour and to protect workers from unhealthy or hazardous working conditions. Doing both simultaneously is the new challenge (Gettler, 2009) Global Journal of Human Resource Management Vol.3, No.3, pp.58–73, May 2015 Published by European Centre for Research Training and Development UK (www.eajournals.org) 70 The imperatives of contemporary HRM theory include such principles as efficiency, effectiveness, productivity, labour flexibility and competitive organizational advantage. 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, ethical considerations, diversity and inclusion. The Classical school (or 'Scientific Global Journal of Human Resource Management Vol.3, No.3, pp.58–73, May 2015 Published by European Centre for Research Training and Development UK

(www.eajournals.org) 60 Management', founded by Frederick Taylor, and best exemplified by Henry Ford in his vehicle manufacturing plants) puts its emphasis on the job itself and the efficient adaptation of workers to work processes. (Ogier, 2003) In essence, human resource management recasts 'employees' as 'human resources' who are vital organizational 'assets', possessing knowledge, skills, aptitudes and future potential; and who therefore require integrated and complementary management strategies (through, for example, human resource planning, job design, effective attraction and retention techniques, performance management and rewards programs, occupational health and safety systems) in order to assure their individual and collective contributions to the achievement of organizational goals and objectives. The functional areas that constitute the current outlook of the Human Resource Management field include: a) human resource policy b) human resource planning c) human resource information management systems d) knowledge management e) ethics, governance and (sometimes) corporate social responsibility f) work and job analysis, design and evaluation g) recruitment and selection h) diversity management i) career management j) employee and management training and development k) counseling, discipline and termination/separation l) performance and quality management m) remuneration and benefits n) industrial relations management o) financial management of employee schemes and overall accountability and evaluation p) occupational health and safety. Beginning in the 1700s as a series of functions, often neither integrated nor based upon solid conceptual foundations, the modern Strategic HRM is a dynamic specialization in the process of refining its philosophies, practices and overall contributions to organizational effectiveness in response to external influences, including economic, demographic, legislative and social changes, as well as its own history, HRM is adopting a strategic approach to the management of human resources for corporate benefit. Personnel functions during this period were mainly restricted to administrative areas (e.g. ....(wage/salary records, minor disciplinary procedures and employee welfare activities