

ORGANIZATION MANAGEMENT TODAY: SETTING THE HUMAN RESOURCE AGENDA IN THE GLOBALIZED COMPETITION

OPARA, Oguchialu .U.

Directorate of General Studies
Federal University of Technology, Owerri, Imo State.
Email: uzochukwu4real@yahoo.com

And

EBOH, Emmanuel A.

Department of Sociology and Anthropology
Imo State University, Owerri.

Abstract

The paper's discussion focuses on the way the world we live in is being transformed under our own very eyes by factors and forces which are so compelling and overwhelming, in their ramifications. The environment in which business and management are carried on today is becoming more and more complex by the day. Things are unfolding faster and are being transmitted to all corners of the globe at such an alarming speed that no nation, no organization and no individual is insulated. The paper theoretically examined why organization(s) should fit -in into the environment in order to compete with the rest of the world.

Keywords: Organization, Management, Human resources agenda, Globalization, Competition.

Introduction

We are all affected and influenced by the forces of globalization, liberalization, information revolution, technological revolution and democracy which are sweeping across the globe. Unfortunately, the reality of the situation is that choice is not allowed. The only real choice we are allowed, if it could be called a choice, is to brace up, understand the forces, and seek to exercise some control on the nature of our participation. The other alternative is to be blown away and be further marginalized in the scheme of things.

The paper focused first on defining the character of the environment within which business organizations operate today, examine the different elements which define organization of today, and implications of these different elements for organization management. The second focus is on the way the different forces defining the environment of the organization of today have transformed the practice of human resources management. This transformation has led to a re-definition of the role of human resource management in organization management. The paper attempted to articulate the new roles by outlining the basic ingredients for setting an agenda for the

human resource manager who seeks to play an active part in the survival and growth of his organization today.

Defining the Environment of an Organization of Today

Several scholars have commented on the very difficult environment that business organizations operate within today. It is an environment that is rather complex. It is one that tasks the ingenuity of the manager and challenges him to re-examine his tools. This is so, because, organization is an institution that enablesthe society to pursue goals that could not be achieved by individual's action alone (Gibson, Ivancevich, & Donnelly Jr., 1994).

The forces that shape the organization environment are very strong and interrelated. They include the following:

- i. Globalization** Today, the world is truly becoming a global village. Information on developments taking place in different parts of the world is rapidly transmitted to other parts. Within that context, social and business life in every corner of the globe is exposed to influences from other parts in ways that are both unpredicted and profound.

In taking decisions, therefore, businesses regardless of size must become global in their thought process to compete in a worldwide market place. As the process of globalization continues, businesses will find it increasingly necessary to compete for scarce resources, requiring business managers to function in the global financial arena instead of local and regional ones.

- ii. Liberalization** The concept of liberalization involves the right of freedom, the maximization of freedom (Chaturvedi, 2006). Rights and duties are universalized and transcend time and place. On this note, it is a logical extension from the shrinking of the world brought about by great advances in telecommunications in the opening up of international borders (Peters, 1999). The dominant ideology in the recent past is that which enjoins nations to lower barriers they had erected against international trade, and free movement of goods and services across countries.

The virtues of democratizingsocial structures at all levels are being preached and embraced. Restrictive rules and protectionist tendencies are being replaced with open regimes with emphasis on inclusiveness and free competition. Given this development, business can no longer look up to the protection offered by national policies which restrict free competition or impose artificial barriers. They are being forced to strengthen their capabilities to compete globally.

- iii. Competition** More than ever before, business organizations are having to face unprecedented stiff competition. Arising from the forces of globalization and liberalization, the environment of business organization today has become extremely competitive. The removal of traditional restrictive rules has opened up

the arena for free entry and free exit of more players. As this process develops, it is becoming increasingly difficult for any local organization to hide its inefficiencies under a cloak of tariffs and national legislation. The credo now is compete or be thrown out (Benham, 1999).

The nature of the competition and responses which business organizations are facing today in order to survive is captured in the following passage by Stalks et al. (1992, p.87) thus;

Competition is (now) a war of movement in which success depends on anticipation of market trends and quick responses to changing customer needs. Successful competitors move quickly in and out of products, markets, and sometimes even entire businesses – a process akin to an interactive video games than to chess. In such environment, the essence of strategy is not the structure of organization's products and markets, but the dynamics of its behaviour.

iv. Technology Trends According to Amadi (1991: 186), technology is the “application of science and scientific methods to optimally harness the forces and resources of nature to improve the quality of life of mankind”. Great awareness of technology has become a major force shaping the environment of organization and the way business is conducted today. Nowhere is this revolution more apparent than in the convergence of information technology and telecommunication. Virtually everyday, new vistas are being opened and new possibilities explored on how business processes can be enabled with the use of information technology. With the increasing popularity of the internet, the possibilities appear limitless.

The technology trend have moved from e-commerce (where the possibility afforded by the internet is deployed to aid buying and selling across geographical distances) to e-business (where a whole range of business is springing up around the use of the internet). In his assessment of these changes, Rowder (1999) remarked that technology had decreased geographical distances as well as language and cultural differences.

Technology has also changed the flow and use of information. Innovation and ideas are the currency of the new millennium, and intellectual capital can now be immediately captured and communicated to others. Similarly, Grundy (1997) notes that to stay competitive in such a technology - driven environment will require business to invest constantly in the information super highways of the internet and the world wide web.

- v. **Environmental Concerns** Science has shown enormous inter-dependence between man and his cosmic environment. Man's impact on the environment poses a threat to his survival. Growing interest in the environment today can be in the form of population, natural disasters, misguided application of technology and the emphasis on primary health as more efficacious than clinical therapy (Amadi, 1991). Increasingly, questions are being raised and policies being initiated on how to minimize the negative impact of our current economic activities on the natural environment.

More and more countries are adopting strict regulations aimed at curbing indiscriminate destruction of the ecosystems and adopting comprehensive policies for renewal and restoration. This factor is affecting business organizations in many ways. It is defining the choices they have to make between alternative technologies. It is also forcing organizations to factor the cost of complying with strict environmental protection laws into the cost of doing business.

- vi. **Rapid Rate of Change** Change has always been a fact of life. What is unique about the changes which business organizations are experiencing today is the rapid rate at which these changes occur. The changes are not limited to the technology available for accomplishing work tasks. Rather, they extend to such things as regulatory frameworks, consumer tastes, market trends, price movements, and the structure of composition, to mention a few. Organizations are having to devise mechanisms for responding faster to these changes, learning better, and finding new ways to compete in unfamiliar markets.

Major Implications and Strategic Imperatives

The forces shaping the environment of organizations have raised the stakes for organization business. To whether the storm and emerge victorious in the great battle for survival, every organization must address a set of strategic imperatives. These imperatives are clearly interrelated. The paper discusses some of them as follows:

The Challenge of Leadership The difference between success and failure in every organization can be attributed to leadership. Leadership is a major part of organization (Donnelly, 1987). Opera (2014: 15), defined leadership "as the human factor which binds a group together and motivates it towards goals". Management activities such as planning, organizing and decision making are dormant cocoons until the leader triggers the power of motivation in people and guides them towards goals. Leadership is at the epicenter of managing performance of employees in every organization (Manning and Curtis, 2009).

The need to redress the current imbalance between leadership and management has become rather urgent. Our review of the forces shaping the environment of today shows clearly that leadership will be much more important for the survival and growth of an organization than hitherto. It has been suggested that what we have now is an

over-supply of managers and a shortage of leaders. While organizations will always need managers, what would make all the difference is the quality of leadership they provide their organizations (Merriden, 1999).

The Challenge of Human Resource Management It is not the strategy that drives the business organization, it is the person who creates the strategy. This fact has drawn attention to the “intellectual capital” (Miller, 1999), of employees as representing the greatest asset any organization can have. Human resource refers to human being as employees. The human resource is identified as the most critical factor in the work force (Merriden, 1999).

What is becoming critical therefore, is the ability of a business organization to adopt appropriate human resource management policy. This would help to unlock the hidden talents for the critical task of creating and driving winning strategies. More than ever before, business organization today must develop human resource management systems. This is needed to identify and develop their core competitive posture and generate earning growth.

Revamping Corporate Governance Another challenge which business organizations face today is the need to revamp corporate governance. This refers to seeking clarity in the roles, responsibilities, composition and accountability of management and the Board of Directors. The central objective of this exercise is to harness the contribution of each organ without losing the advantages which the checks and balances implied in their separation were designed to achieve.

A related issue on corporate governance which flows directly from the forces of liberalization is the need for democratizing management (industrial democracy) process at the organization level. Increasingly, emphasis is being placed on staff empowerment, self - managed work teams, flexible work structures, greater work participation and consultations.

Appropriate Organization Structure The flexibility a business organization builds into its organizational structure to enable it respond rapidly to chances is critical today. Again, there is the need to adopt organization structure that will permit staff empowerment, and generate the involvement and the commitment of the workers. In the light of these, tall and pyramid organizational structure are giving way to flatter ones. Increasingly, we are now having what Peters (1992) described as “Bonkers Organizations” implying:

Entities in which layers are reduced, hierarchies dismantled, multi-skilled few-men work-teams are encouraged, staff are empowered, decisions making decentralized and virtually every facet of work life revolves around projects.

Efficiency: One major imperative which all organizations face today is the need to continually raise the level of the efficiency of the operations. In this sense, efficiency is a short-run criterion of effectiveness that refers to the organization's ability to produce outputs with minimum use of inputs (Gibson *et al.*, 1994). The measures of efficiency are always in ratio terms, such as benefits cost, cost-outputs, and cost time. With the disappearance of artificial protectionists' barriers and the opening up of markets, it will be increasingly difficult for any one producer of goods or services to continue to pass its inefficiencies on to consumers.

With near perfect information flow on products' quality, availability, and prices, inefficient producers will soon find that there are no buyers for their products. Again, the continual drive for raising efficiency levels would encourage a constant focus on re-engineering work processes, adopting best practices and global standards, lowering costs and increasing market share. It will require accessing information on global standards and orientating the business through process to respond accordingly.

Investment in Technology: To be able to compete in the new environment, business organizations will have to invest in modern technology suitable to their operations. There is so much happening at so fast a pace in the technology arena that organizations have to constantly up-grade their tools and their technological know-how or remain consigned to the junk yard by obsolescence. The new technologies emerging are not necessarily cheap. The whole process further imposes additional pressure on organization to seek innovative ways of funding their acquisition and leveraging on their core competencies.

Setting the Human Resource Management Agenda

The forces shaping the environment in which business organization operate today have occasioned major changes in the way we do business. The world of business, and the phenomena with which we must deal, have changed and are changing so fast that old tools of analysis and perspective cannot hold. We require a complete paradigm shift that would permit us to challenge established axioms and re-examine settled cases.

The Roles of Human Resource (HR)

The re-examination of management principles and practices is even more urgent in the sphere of human resource management. Today, the discipline has transformed from playing a reactive role of "personnel administration" to become a strategic partner in organizational management. In organizational activity, management is the process of getting work done through people - employees (Gibson *et al.*, 1994). As a strategic partner in business, the Human Resource (HR) function in organizations shoulders three main responsibilities:

i. **Human Resource (HR) to the Line** Under this responsibility, the function is expected to perform some of the duties which traditionally define personnel administration as we knew it, these include:

- A. Administering personnel compliance functions e.g. ensuring compliance with labour laws on employment, wages, redundancy, policies, pension scheme as retirement benefits, etc. (Benham, 1999).
- B. Processing personnel transactions, e.g. the day-to-day activity of processing benefit claims, payroll enquiries, promotion and transfer recommendations, and administering the progressive discipline system.
- C. Administering community and employee welfare scheme and projects as part of organization's corporate responsibilities.

In running these routine services, however, the HR function is expected to customize policies for business units, using specialized knowledge that reflects best practices. Also, the function is expected to integrate regulatory requirements with business requirements to generate value added policies and operational guidelines (Benham, 1999).

- ii. **Consulting on Corporate Performance Issues:** Today, the HR function is called upon to play the role of on-demand provider of performance improvement information. HR managers must be able to diagnose performance problems and assist line manager to solve them.
- iii. **Managing Core Competencies:** Today, the HR function is expected to help build the strong competitive posture needed to secure earning growth. In this regard, the HR function must develop systems that identify the key competencies (with an organization) and work closely with line managers. This is to design recruitment, selection, evaluation, developments, and reward systems that build and sustain these competencies (Rowder, 1999).

The New Human Resources Manager

It is apparent from the roles newly defined for the function that practitioners need to re-kit themselves to cope with the challenges the new roles present. Understandably, the HR manager of today will need to acquire new skills and horn existing ones. Some related skills which the human resource manager of today must possess and develop to fully serve the role of "Strategic Business Partner" (Alo, 2010), in his organization are as follows:

- i. **Global operating skills**Ahuman resource manager needs to learn to do business in non-native environments, with individuals of different backgrounds and perspectives, with products and services used in different ways.
- ii. **Business and financial savvy** Practical knowledge and understanding of the business is essential. HR managers need to understand financial reports,

business goals, and consumer and investor importance. They need to have sufficient knowledge of the business drivers to gain the respect of their colleagues of other professions in the organization.

- iii. Ability to use information technology** HR manager must be current in the use of information technology in the execution of his duty / roles in the organization. Always be information conscious.
- iv.** The HR manager must possess deep human resource knowledge. The HR practitioner needs to invest time and resources in acquiring knowledge and becoming better educated
- v.** The practitioner shall be a strategic visionary, a critical thinking individual and possess problem solving skills. He must be scientific in thinking (Alo, 1999).
- vi.** The HR practitioner must be flexible and have the ability to change management skills.
- vii.** The HR practitioner shall possess effectiveness skills. He must be a team player with work colleagues.

Conclusion

The environment of business today has become rather complex and difficult. The business environment is shaped and controlled by certain forces which include globalization, competition, liberation, technology trends, environmental concerns, and rapid changes. To survive and grow in such a difficult environment, business organizations today have to re-evaluate old tools of management. To this end, human resource management is now expected to serve as a strategic partner in the great task of building for organization's strong competitive posture.

HR practitioners are required to help design policies that will assist organization's identity, develop and sustain their core competencies. All of these developments present new challenges to the HR practitioner/manager who must acquire new skills. The extent to which we acquire these skills and play our roles effectively would determine the relevance in the organizational management.

References

- Amadi, A. (1991). "The various areas of science and technology", Onuobia, (ed.) *History and Philosophy of Science* Owerri: Genson Headway Press Limited.
- Alo, O. (1999). "Organizational performance and challenges in the 21st century", *Journal of Human Resource Management in Nigeria*.
- Benson, P. (1999). "Challenges and trend in HR/IR programmes: Bridging the gap for global competitiveness". *Sam Advanced Management Journal Sumer*; 64(3): 9-14.
- Chaturvedi, A.K. (2006). *Academics dictionary of political science*, New Delhi: Academic (INDIA) Publishers.
- Donnelly, J.H. (1987). *Fundamentals of management*, 6th ed. Illinois: Business Publishers Inc.
- Gibson, J.L., Ivancevich, J.M., Donnelly, JR, J.H. (1994). *Organization. Behaviour: Structure and Process*. 8th Ed. Boston: IRWIN Inc.
- Grundy, V. (1997). "Technology and organizational management in action". *Journal of Business and Financial Studies*, 3 (2), 42 – 55.
- Merriden, T. (1999). "What the gurus say about human resources". *Human Resources Journal*, 7(4).
- Miller, M. (1999). "Leveraging your hardwired intellectual capital". *Strategic & Leadership Journal*, 27(2), 28-32.
- Manning, G. & Curtis, K. (2000). *The art of leadership* 3rd (ed). New York: MC Graw-Hill/Irwin Inc.
- Opara, O.U. (2014). "Leadership ethics and the challenges of employee's performance in the Nigeria Public Sector". *International Journal of Development and Management Review (INJODEMER)*. 9(1)
- Peters, T. (1992). "Liberalization management". *Sam Advanced Management Journal*, 5(2), 22-27.
- Rawder, R.W. (1999). "Potential roles of the human resource management professional in the strategic planning process". *Sam Advanced Management Journal*, 64(3).
- Stalks, G., Evans, P., & Shalman, L. (1992). "Competing on capabilities: The new rules of corporate strategy". *Harvard Business Review*. March/April.