
Reconceptualising Human Resource Management

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Abstract:

The literature is filled with various definitions of human resource management (HRM) and almost all of them neglect a vital aspect – macro environment. The definitions of HRM as revealed in the literature make reference to only the micro-environment (i.e. organisations) while neglecting the macro environment. This paper provides a correction to this and proposes a new working definition of the term 'HRM'. It bases its proposition on the human capital theory and systems theory and concluded that HRM should be defined as processes involved in the proper management of people both within and outside the confines of an organisation.

Keywords: Reconceptualising, human resource management, personnel management, definition.

1.0 Introduction

Right from inception, humans have been regarded as the most important factor of production. This is because they possess the ability to think, coordinate and make use of the other resources for the achievement of desired ends. People are the only resources with the innate ability to generate value and this they do by leveraging on other resources which have inert potentials and putting them into use (Fitz-enz, 2000).

History is filled with records of how humans have been organised to utilise other resources for the achievement of predetermined tasks from one epoch to another. The building of the Egyptian pyramid, the collection of taxes by the Roman Empire, the building of the Great Wall of China, etc. are all examples of how humans were organised for the achievement of predetermined objectives.

Despite the foregoing, human resource management (HRM) was not believed to exist until the advent of the industrial revolution in Britain in the 1800s (Haslinda, 2009; Torraco, 2009 cited in Richman, 2015). A rationale for the evolvement of HRM may be due to the emergence of labour union which was a consequence of a high level of employers' exploitation experienced by employees. However, most scholars argue that HRM never existed until the late 20th century during the 1980's and that what existed prior to the mid-20th century was personnel management which emerged as a result of World War II in 1945 (Boxall, Purcell, & Wright, 2008; Obisi, 2015; O'riordan, 2017; Osinbajo & Adeniji, 2012). Whether, the terminology never existed prior to World War II or not, major intrinsic functions of HRM like recruitment, organising, remuneration of manpower, etc. have all been in existence right from the medieval era to these modern times.

The terminology “personnel management” evolved to human resource management as a result of the need for employees to be managed beyond the frame of their respective job descriptions and to adopt a strategic approach where employees’ potentials are developed for organisational success (Tanuja, n.d.). This means there was the need for a transition of the traditional management of employees (hire-and-fire approach) to where they can be developed based on the strategic goals of the organisation. This led to the emergence of human resource management. The two concepts can be distinguished by stating that personnel management only views a worker as an economic man (i.e. one who works solely for economic benefits) while human resource management views a worker as an economic, social and psychological being (Rao, 2014).

Human resource management has been defined in so many ways but to the best of the researcher’s knowledge, no one definition has been able to encapsulate the wider scope of the concept. It is against this backdrop that this study was carried out. This study aims to redefine HRM by widening its scope of application. This will be clarified in the subsequent sections of this paper.

2.0 Current Definitions of Human Resource Management

The literature is filled with so many definitions of the term, “human resource management”. Various scholars have given their opinions on what the definition of HRM should be. These definitions although different, contain similar ideas or point towards the same meaning. According to Griffin (1997) cited in Omebe (2014), HRM is a collection of organisational activities that are focused on the attraction, developing and retaining of workforce that is effective. Byars and Rue (2004) defined HRM as the activities designed to provide for and coordinate an organisation’s human resources.

Armstrong (2006) opined that HRM is the adoption of a coherent and strategic approach for the management of the most valued assets of an organisation – its people who help in the achievement of its objectives. In the words of Boxall et al. (2008), HRM is a fundamental activity of an organisation in which work and people who are employed are managed towards desired ends. They further established that HRM is an inevitable result of starting and growing an organisation. Omebe (2014) viewed HRM as the devising of formal systems in an organisation that ensures the effective and efficient use of human talents for the accomplishment of organisational goals. This means creating enabling frameworks that help in the effective and efficient use of labour for the achievement of predetermined organisational goals. It is the responsibility of managing the tasks of using, developing, compensating and utilising human resources and leading to the establishment and development of human and industrial relations that would shape future policies and practices of human resources management so as to contribute to organisational, individual and social objectives (Rao, 2014).

Obisi (2015) defined HRM as the process of acquiring, retaining, developing and utilising individuals for the achievement of organisational goals. Lall and Mohan (2015) defined strategic human resource management (SHRM) as the connecting of human resources with the strategic goals and objectives of an organisation so as to ameliorate its performance and stimulate an organisational culture that encourages innovation and flexibility. The basic difference between HRM and SHRM is the use of strategic goals and objectives as a pilot for the management of employees of an organisation. According to Skripak, Cortes and Walz (2016), HRM is a summation of all actions taken by an organisation to attract, develop and retain employees of high quality. In the words of O’riordan (2017), HRM is seen as an aspect

of management that deals with all areas of how people are employed and managed in an organisation.

From the foregoing definitions, it can be said that human resource management is simply a basic activity that involves the acquisition, orientation, training, developing and retaining of manpower for the achievement of organisational goals and objectives. This definition implies that human resource management is a continuous activity and not a one-time event. And that for organisations to achieve their goals, they must ensure they have the right number of manpower, qualified personnel and be able to retain them.

3.0 Theoretical Underpinning

3.1 Human Capital Theory

The human capital theory is rooted in the work of Adams Smith titled, “Wealth of Nations” in the late 18th century but was made famous by the studies of Theodore Schultz, Jacob Mincer and Gary Becker in the mid-20th century. This theory is of the view that investment in human capital is directly proportional to the competitive advantage and sustainability of an entity (Wuttaphan, 2017). Sweetland (1996) is of the perspective that this theory sees investment in individuals as a means of generating economic benefits both for themselves, others and the general society. With this understanding in view, human capital is not limited to a micro-entity like the organisation since people are seen to be major components of the macro environment. The wider society is seen to be composed of various individuals with different skills, knowledge, abilities, and competencies which are to be properly developed and managed for economic benefits and increased competitive advantage. If therefore this function is a critical component of human resource management, then there is a need for redefining what human resource management is.

3.2 Systems Theory

The Systems Theory was propounded by Ludwig von Bertalanffy when he published his work titled, “General System Theory: Foundations, Development, Applications”. His rationale for the publication of this work was to provide a compendium of certain laws that can be used in virtually every field of science. This theory is a multidisciplinary study of systems, which are coherent collections of interconnected, interdependent elements that might be natural or man-made. The principal idea behind this theory is that several actors have to work together to ensure the success of a given system, implying that the whole is larger than the sum of its components. This theory is crucial to reconceptualising human resource management because human resource is an inevitable component of various subsystems that interact with one another and are interdependent on one another for the survival of a larger system. The wider society or macro environment is seen to be a conglomeration of several subsystems within it like business organisations, government organisations, non-governmental organisations and other subsystems that are not organisational in context. All these subsystems are seen to accommodate the human factor. Hence, confining the concept of human resource management within the organisational context alone seems to be insufficient to be called human resource management.

4.0 Reconceptualising Human Resource Management

Having highlighted some existing definitions of the term ‘human resource management’, it is very obvious to note that all the definitions made reference to above, all referred to the context of an organisation. The above mentioned definitions defined HRM only in the context of an organisation. Rowley and Jackson (2011) asserted that in viewing HRM from a broader and more inclusive perspective, it is simply the management of people. Standing upon this assertion, it is very obvious that management of people goes beyond an organisational

context. The scholarly definitions of HRM have not really done a good job in defining HRM with reference to this understanding.

Moreover, it should be recalled that Obisi (2015) asserted that human resource planning (HRP) is of two categories – micro and macro. According to him, micro HRP has to do with the planning of human resources within an organisation while macro HRP has to do with the planning of human resources outside the organisation i.e. the macro environment where the government is principally responsible for. If HRP is a component of HRM, why then does the definitions of HRM as revealed in the literature neglect the macro environment and limits it to the context of an organisation?

As seen in the existing definitions of HRM above, no one definition made reference to management of people outside the organisational context. Moreover, people are not only a constituent or member of the micro environment (organisation) but also a member of the macro environment. Hence, delimiting human resource management to the management of people within an organisation only paralyses its conceptualisation. Human resource management should be seen as the management of people both within and outside the micro environment (organisation). Hence, this implies categorising HRM into two levels – micro-HRM and macro-HRM. Consequent upon this, HRM should be defined as the managing of people or workforce for the actualisation of short and long-term goals both of the micro-environment (organisation) and the macro environment. It should involve all activities of planning, developing, retaining and appropriate utilisation of human resources both in the micro and macro environments.

5.0 Conclusion

HRM should no longer be viewed as a micro-environmental concept. Its scope of definition should be taken beyond the boundaries of an organisation and applied to the wider society of which people or human resources are also members. Human resources are not only found within the context of an organisation. Hence, delimiting its conceptualisation within the boundaries of an organisation neutralises its actual meaning. Therefore, HRM should be seen as the processes involved in the proper management of people both within and outside the confines of an organisation. It should be referred to a set of activities that is centred around the human resources of an organisation and a nation at large, developing their human capital and deploying them for the attainment of both organisational and national goals and objectives.

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