# Chapter - 3

# Models and Theories of Human Resource Management

# Chapter 03

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## Introduction

History of HRM theory was originated virtually in 1980 when the Harvard School introduced the Harvard Analytic Framework. However, certain drastic changes occurred when machines and factory methods were introduced in early 1900s. Since machines were introduced for factories, employers expected high output minimizing labour cost. The process was leading to usher the Industrial revolution. When a machine required several workers to operate its different functions, some kind of supervisory and control procedures were necessary for managing the workers owing to the factors like how different duties are assigned among workers, worker relationships, communication, job division. Factory authorities began to draft rules, regulations, work time, job assignment procedures, pay structures and they further designed plans for getting a maximum out put of the labour through job specialization. This trend was influenced for the development of the theory called Scientific Management. Taylor, (1856-1915)[1] the father of scientific management, introduced several management principles. This is one kind of first theoretical approaches for HRM during that period. The second theoretical approach of HRM is the human relation school developed by Mayo[2] (1880-1949) and Roethlisberger through their Hawthorne studies. Although, the above theories are not classified as HRM theories, they have a direct influence for the advancement of HRM theories. These organizational theories have been discussed in detailed at the end of this Chapter.

Many theories have been introduced to management discipline. Some are developed within the discipline and some are borrowed and applied from other disciplines like philosophy, psychology, education, sociology and natural sciences. In management literature, various terms have been used interchangeably for the term theory. Frequently, the model is used for a theory and other terms like approach, view, and system are used. In some basic books, it appears as principle (**MOOLADHARMA**) or school of thought (**GURUKULA**). Mostly, terms like principles and schools of thought are used
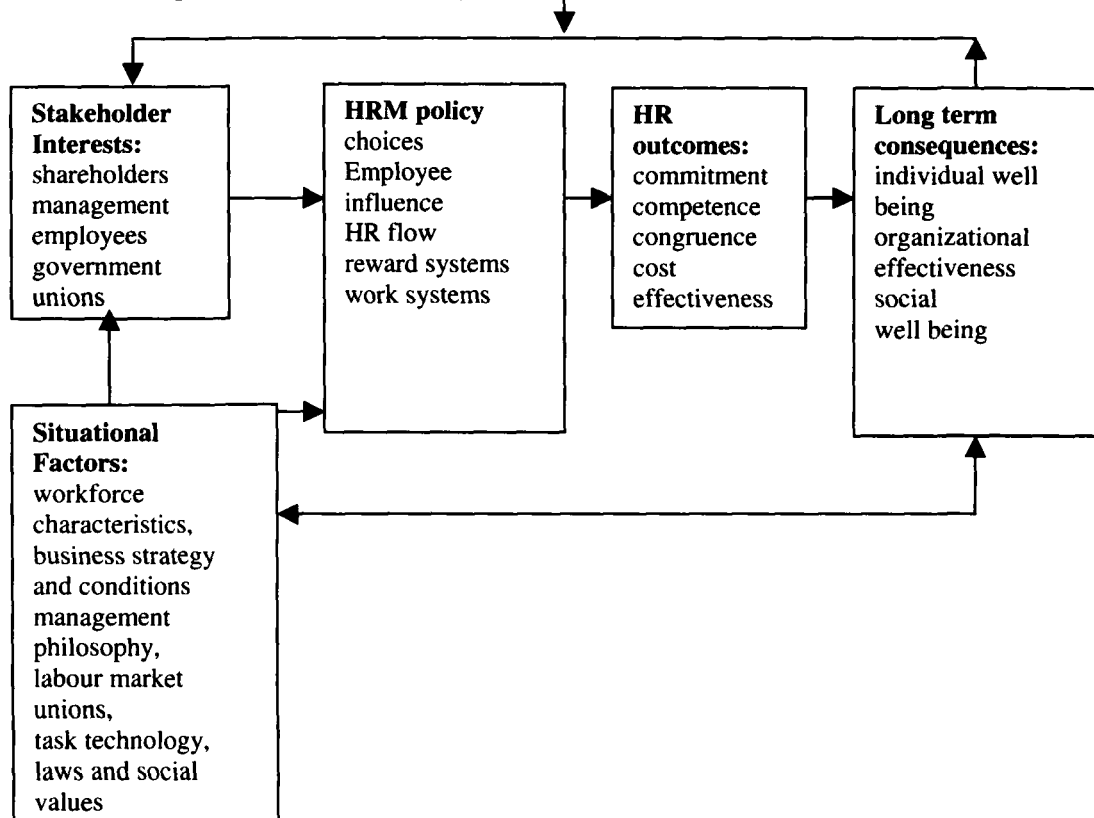
for describing the general management theories. For getting a clear view, it is better to see how the two terms model and theory are defined in the management literature. According to Ghosh, Sharma and Raj[3] model "is a term which causes some controversy, largely because there are so many forms from a scale model to a mathematical equation. Therefore, a model is any means of simplifying a statement, proposition or hypothesis, e.g. marketer's shorthand, such as organizational chart which reduces a complicated idea to a visually comprehensible statement. Thus, models can be simple statements, e.g. definitions, or theories for study or application. Models can also be [used] to construct formulae, hypothesis, programmes, or systems." Theory, according to Ghosh, Sharma and Raj[4] "a body of principles which enables us to approach the bewildering complexity and chaos of facts, select the facts significant for our purposes, and interpret that significance". Stoner and Freeman[5] define theory "is a coherent group of assumptions put forth to explain the relationship between two or more observable facts and to provide a sound basis for predicting future events." Model is easy to comprehend whereas theory is not so. The researcher explores the fact that different books and articles in management literature have no unanimous consensus in using these two terms hence the usage of terminology is varied from person to person, text to text but the crux of the meanings are totally unaffected. This researcher is of the view that the term 'model' is very suitable for utilizing for a very clear and simple hypothetical statement or an illustration for deducing accurate conclusions and actions, while theory could be interpreted as genuine constituted abstract, about many facts which lead to some confusion however in the end leads us for a solid stance for achieving the expected target. A model is an explicit or concrete part of the theory whereas the theory is the implicit or abstract entirety of a model. In this perspective, a theory is entrenched in a model and therefore the implicit theory has to be construed from the explicit model. Out of these models and theories, only a few are discussed herein under. Since each model is underpinned a theory, the researcher attempts to explore and to design a name for each HRM theory. The fundamental principles and concepts rooted in each model are used for deducing a name for each HRM theory. Kandula[6] attempts to cumulate HRM theories applied in the world into one publication. He has collected about 300 HRM models developed by different persons. He

illustrates models, tools, and techniques for the different functions of human resource practice.

## 3.1 Harvard Analytical Framework

When tracing the definitive origin of the HRM and its theory, it becomes an elusive exercise since the literature in management in published in USA and UK pose their own stances and some inclinations poise to their own countries. HRM is firstly appeared in 1950s in USA but it was proclaimed and applied in a study programme introduced by the Harvard Business School in 1980. It paved a way to develop this concept very rapidly. In 1980s, Beer et al[7] explored the Harvard Analytical Framework for HRM. Most of the later theories in HRM were propounded on using certain elements of this Harvard Analytical Framework. Therefore, it could be considered as the brain child of other models and theories of HRM. The elements in later theories like stakeholder interests, the internal and external environments, policy choices, vision and strategies, certain soft views are embedded in this Analytical Framework (Figure 2).

### Figure 2.Harvard Analytical Framework for HRM



| Stakeholder Interests: shareholders management employees government unions | HRM policy choices Employee influence HR flow reward systems work systems | HR outcomes: commitment competence congruence cost effectiveness | Long term consequences: individual well being organizational effectiveness social well being |

Situational Factors: workforce characteristics, business strategy and conditions management philosophy, labour market unions, task technology, laws and social values

Beer and his colleagues believed that top managers have high responsibility in developing policies and practices of HRM in their organizations. A vision and philosophy should be implanted in the organization and the human component is to be considered as strategic resource. Harvard school stresses two important points that line managers have to accept more responsibility for ensuring the alignment of competitive strategy and adhere to HRM policies. The second point is that human resource in the organization should have a mission for fulfilling the objectives of the organization in a more coherent way. This idea conveys us for a team approach. Boxall[8] concludes the main qualities and characteristics of Harvard Analytic Framework are as thus

- bears stakeholder perspective
- mutual cooperation and commitment
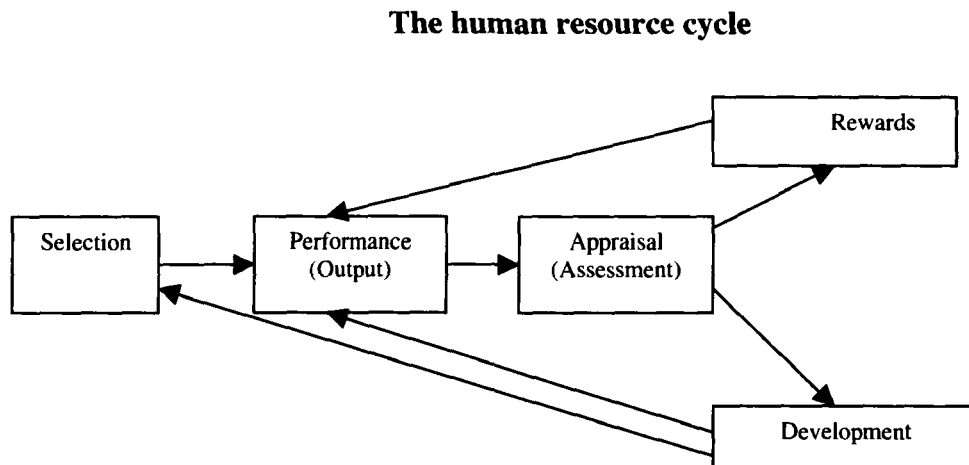- instead supervisory style, seeing HRM an employee influence

Therefore, this model is composed of elements like mutual respect, mutual commitment, mutual responsibility and it relies with teamwork approach and certain elements in soft view of HRM. Descriptive theory emanates the wholesome coverage of HRM functions or their elements into one content and therefore based on this viewpoint, some may misinterpret the underpinned theory of Harvard Analytic Framework is the descriptive theory of HRM. Though the outlook of Harvard Analytic Framework seems to be an analogy of HRM functions, Beer et al attempts to analyze the fundamental elements instilled in HRM functions into micro-minute forces, emphasizing the utility and inter-relationships of those elements are so valid and reliable in achieving the objectives of HRM. Therefore, it is very clear that the underlined ideology of this model is the *analytic theory of HRM.*

The present researcher feels that the above arguments are also demonstrating the most important aspect of social engineering is the principle of cohesion. The cohesive component is not something borrowed from the external environment but it is much innate human personality.

## 3.2 Matching model

Second HRM model i.e. matching model was developed by Fombrun, Tichy, and Devanna[9] in Michigan school (Figure 3).

### Figure 3.The Matching model

### The human resource cycle

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                                                        ┌──────────────┐
                                                        │   Rewards    │
                                                        └──────────────┘
┌───────────┐      ┌──────────────┐      ┌──────────────┐
│ Selection │─────▶│ Performance  │─────▶│  Appraisal   │
│           │      │  (Output)    │      │ (Assessment) │
└───────────┘      └──────────────┘      └──────────────┘
                                                        ┌──────────────┐
                                                        │ Development  │
                                                        └──────────────┘
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Matching model ensures way to achieve the organizational objectives is the applying of above five major functions of HRM very effectively. The work and contribution of properly selected human resource has to be evaluated in using appropriate techniques. Some kinds of rewards have to be offered on the basis of results of appraisal and the performances of employees. According to matching model this process is totally dependent on the HRD procedures and programmes of the organization. It is believed that the whole of HRM is a cyclical process which every function is interdependent hence value of each function is very identical for acceding the organizational objectives. In matching model, it tries to encapsulate all key functions of HRM and to utilize in a more comprehensive manner. Therefore, the underlined ideology of this model could be termed as *descriptive theory of HRM.*

Some authors have classified models and theories of HRM into three kinds. According to Guest[10] HRM theory has three categories like strategic theory, descriptive theory and normative theory. Hendry and Pettigrew[11] indicate that strategic theory which identifies key environmental influences on HRM or classifies HR strategy in relation to models of corporate strategy such as those produced by Miles and Snow[12] and Porter.[13] Strategic theory focuses the influence of both internal and external environmental forces are so

excessive for HRM and therefore proponents of this theory believed using certain strategic approach to face challenges of these environmental forces. Putting it tersely in philosophical terminology, the model must score some flexibility in order to survive and to generate the out put. A model belongs to strategic theory must have two important viewpoints viz. assimilation and accommodation. Assimilation means the organization acquires experiences from both internal and external environments and in the process it should formulate potential strategies. Conversely, in accommodation, the organization should apply those strategies and its environment undergoes change as per the demands of the model. Mostly views and ideas of contingency theory have some conformity with the strategic theory.

As indicated by Beer et al[14] descriptive theory describes HRM more inclusively by classifying the whole content of HRM functions. In this theory, whole HRM process is considered as a one element and the proponents assume that every aspect such as aims, objectives, vision, missions, policies and procedures, stakeholders etc belong to organization as ingredients for achieving the desired objectives. The matching model developed by the Michigan school, is a real example for the descriptive theory. Normative theory is more prescriptive in its approach. Walton[15] has developed ideas related to this theory advocating a mutual commitment approach, and the best – practice list of Pfeffer.[16] Normative theory tends to apply certain principles which are deterministic and related with long-term perspectives. Walton[17] describes a model which composed of policies which promote mutuality, i.e. mutual goals, mutual influence, mutual respect, mutual reward, and mutual responsibility. This theory expects that policies of mutuality would enhance the quality and behaviour of human resource and it would lead for high commitment. A model belongs to normative theory is composed with certain carefully designed behavioural, attitudinal and moral principles. Ethical approach which is discussed below is another model which belongs to normative theory of HRM.

In theorizing HRM models, Delery and Doty[18] distinguish three kinds of HRM theories as follows (1) the universalistic, (2) contingency, (3) the configurational. Delery and Doty's review is a one kind of classification of whole literature of models and theories in HRM.

## 3.3 The Universalistic theory

This is recounted with the term "best practice" and "high performance work practices", and its underlying assumptions or arguments may seem somewhat simplistic:

i. That there is a linear relationship between human resource practices or systems and organizational performance.

ii. That best practices are universally applicable and successful.

iii. That organizational success is best measured in terms of financial performance indicators like profits, or by market share and sales levels.

Osterman[19] Pfeffer[20] and Huselid[21] may be taken to represent those who bear universalistic perspective. Pfeffer argues, for example, that a greater use of sixteen specific practices, such as employment security, selectivity in recruiting, high wages, incentive pay, employee ownership, information sharing, participation and empowerment, teams and job-redesign, training and skills development, cross-utilization and cross-training, symbolic egalitarianism, wage compression, promotion from within, long-term perspective, measurement of practices, overarching philosophy. Proponents of universalistic theory believe that there is a universal practice to be remained with HRM. It is the best practice that any organization can adopt it anywhere and these proponents are against using culture, environment, heterogeneity of people and their behaviour. Therefore it is better if those proponents are classified as universalists and their ideology is as *universally best practice theory or universalistic theory of HRM.* From the above argument one may deduce that attempts are made to standardize the model so that its universalistic application is envisioned.

## 3.4 Contingency theory

Theorists like Selznik, Burns and Stalker, Woodward, Lawrence and Lorsch, Thomson[22] were the principal developers of this theory. According to Delery and Doty[23] the contingency theory, indicates that the relationship between the relevant independent variable and the dependent variable will vary according to such influences as company size, company age, technology, and capital intensity, the degree of unionization, industry sector, ownership and location. Contingency arguments imply potentially complex interactions

amongst HRM variables; between HRM variables and performance indicators; between HRM variables and contingency factors; and between performance and contingency factors. Delery and Doty[24] cite Schular and Jackson,[25] ; Gomez-Meija and Balkin,[26] as mainstream contingency theorists, but the tradition goes back much further and include the work of Woodward,[27] Pugh and Hickson,[28] Pugh and Hinings,[29] Pugh and Payne,[30] and Mintzberg.[31] This theory expresses the definitions of aims, policies and strategies, lists of activities and analyses of the role at Human Resource Department are valid only if they are related to the circumstances of the organization. According to Armstrong[32], textbooks narrate principles and practices in a more prescriptive manner of how the organizations manage their human resources, portray the universalistic view but how the organizations adopt according to recurrent trends and changes in socio, economic political situations and in the emerging technology relate to contingency theory. Contingency theory is essentially about the need to achieve best " fit" between what the organization is and wants, technology, size, structure, the people, its employees and its external environment and what the organization performs and how it is structured and the processes, procedures and practices it implements. Contingency theory suggests a situational viewpoint which enables for any organization to face any challenging circumstances and opportunities. In contingency theory, it is believed that there is no universally accepted practice or principles in managing human resources. It is an opposing viewpoint to universalistic theory. Hence, managers are supposed to act according to environmental factors both internal and external to the organization. Therefore the proponents of this theory are classified as contingentists or situationalists and their ideology as 'best fit theory or contingency theory of HRM. The Underlying philosophy of the above theory is the intricate relationship that exists between the change and the permanence and it is an admixture of both.

### 3.5 The Configurational theory

Configurations theory asserts that the integration of relevant concepts and perspectives of a theory or theories under consideration. Delery and Doty[33] cite Arthur's[34] control and commitment HR systems gain greater performances for the organization if these systems are applied for achieving corporate

objectives of the organization through business strategy. MacDuffie's[35] research finding, in the automobile industry is seen as representative of the configurational perspective, where the holistic principle of inquiry identifies a unique pattern of factors. However, from his argument, it is unclear about his thinking on the notion of holism as a whole because he immediately links uniqueness with wholeness. Unique here implies a single unit and not the entirety. Here how he links whole with the individual unique entity is a question. Holistic means attempting cover and apply all suitable views and practices for achieving the expected common goals. This is a combined approach of all the relevant view points and concepts of certain models and theories into one. The favourable and appropriate concepts, techniques belonging to management theories like classical, neo-classical, behavioural, scientific management, system, universalistic and contingency are utilized in combination of all. Managers are emphasized to utilize the most suitable and appropriate ideas, concepts and systems, using them in a more combined approach, in order to achieve the goal and objectives of the organization. Integration could be done between two theories or several theories. One such theory is the integrated theory developed by Lawler using expectancy theory of Vroom.[36] Vroom describes that motivation is a combination of three factors: how much one wants a reward (valence), one's estimate of the probability that effort will result in successful performance (expectancy), one's estimate that performance will result in receiving the reward (instrumentality). Following is the formula of Vroom's theory.

Valence x Expectancy x Instrumentality = Motivation

Lawler's[37] integrated theory is associated with the motivation of employees as well as the organizational context. Vroom did not consider the organizational context. Lawler states work motivation of employees can be conceived at three levels. Lee[38] describes these thee levels as individual level which means that he him self or her self motivates and secondly the individual interactions with the organization through his or her role in the organization, third level is the psychological outcome received by the individual with the interactions of himself, organization and the organizational environment. The configuration or integration is termed as complementary or bundling or mixed approach. The proponents of this theory prefer to utilize the other views and

systems hence it is mixed perspective or integration of whole suitable views and systems for the advancement of HRM. Therefore proponents of this theory could be interpreted as configurationalists and their rationale as a '*mixed or integrated or configurational theory of HRM.*

## 3.6 Hard model

Truss[39] mentions that  most widely adopted models of HRM are the hard and soft versions which are based on opposing views of control and human nature strategies. The hard model is based on notions of: i) tight strategic control, and ii) an economic model of man, according to McGregor's Theory X. On the other hand, the soft model is based on: i) managing human resource through commitment and ii) through cohesion or Theory Y.

Legge[40] narrates that hard model belongs to traditional view of management and it aims to make a control environment in the workplace by tight rules and regulations, order, authority, strict supervision etc. Legge[41] asserts that human resource in a firm is to be equated and be utilized like other resources hence a maximum output is expected through a productive mean. She expresses that hard model sees human resources as an economic resource. Guest[42] bears a similar view. He notes that hard model considers human resource as an economic resource or commodity or like a new technology. Hence, the performances or out put are expected through using tight control strategies like, rules, regulations, more supervision and disciplinary actions etc. The underlined ideology of this model could be specified as the *control theory of HRM.* Put in other words, here the mechanism is devised how to control human behaviour.

## 3.7 Soft model

Soft model aims to make a conducive and potential work environment that induces people/human resource to work effectively. According to this model, people or workers are inspired to work. Commitment and participation are highly expected in the work place within this model. Naturally people tend to work and behave without any supervisory order or authority, command or force within this model. Soft model sees employees as valued assets and as a source of competitive advantage through their commitment, adaptability and

high level of skills and performance. According to Legge[43] the three key features of soft HRM model are, first various forms of flexibility; second teambuilding, empowerment, involvement and the third, culture management. Comparison of Hard and Soft model of HRM is given below in Table 3. The underlined ideology of this model could be interpreted as *commitment theory*. As stated by Arthur[44] this theory indicates that employees are working in a self-guided environment rather following supervisory or control strategies.

**Table 3.Comparison of Hard and Soft model of HRM**

| Hard Model (Control) | Soft model (Commitment) |
|---|---|
| Traditional view of management | Modern view of management |
| More control and supervision | Self-guided employees |
| Commitment is not seen | High commitment of employees |
| Related to bureaucratic model | Related to Human relations |
| More hierarchical structure | Flatter structure |
| Teamwork is hardly seen | Teamwork is fully used |
| Employees are treated as workers | They are treated as valued asset |
| Skills and competencies are not highly valued and recognized | They are highly valued and recognized |
| Culture management is not expected | Culture management is practiced |
| Employee empowerment and involvement are hardly available | Employee empowerment and involvement are fully used |
| More traditional | More strategic |
| Achieving objectives of the organization is the sole aim | Attempts to achieve the objectives of the organization and those objectives of its employees |

## 3.8 Resource based theory

The resource based theory of HRM draws attention to the strategic value of the workforce and to the issues of workplace learning. Thus, it appears to embrace a soft view of HRM. Penrose[45] who conceptualized the firm as a collection of productive resources. Quoting Boxall[46] Penrose distinguishes between physical and human resources and draw attention to the issues of learning including knowledge and experience of the management team. According to Armstrong[47] resource based theory which recognizes that the strategic capability of a firm depends on its resource capability, specifically the human resources. The human or people are highly utilized as a resource. Hamel and Prahalad[48] expose that competitive advantage could be achieved by the firms, through developing human resources by way of learning organization and learning and practicing, before their competitors in a most healthiest

manner. Heery and Noon[49] note that competitive advantage means the situation that an organization is implementing a strategy that has not been adopted by its current or potential competitors. Competitive advantage is temporary while the sustained competitive advantage is permanent. According to Purcell et al[50] if any organization could develop extraordinary, non-imitable strategies, values and policies and practices that organization is able to achieve sustained competitive advantage which emanates the view of resources based approach. Therefore sustained competitive advantage is that if any strategy in such way is always targeted at the virtue of internal resources particularly the human resource and applied such strategy or strategies through an effort of benchmarking. The underlined principle of this theory is that resources are the fundamental forces in HRM and particularly the human resources and managers are accentuated to understand the immerging trends of knowledge, learning and learning organizations. Resource based theory specifies the postulation that caliber and human talents have to be developed and utilized for achieving both organizational and personnel objectives a very success.

## 3.9 Ethical approach

It implies concern for people, and organizational ethics. The ethical approach is shared with work ethics of the personnel serving in the organization. Human resource has to be acquainted with certain staff qualities and norms through proper induction, orientation and CPD programmes. Both staff and organizational qualities and norms are anticipated. It is believed to be that Japanese companies both in the East and West preoccupied with an organizational environment in this nature. Language tones, mannerisms, used by the staff and their behaviours, attitudes, mutual respect, kindness, self-help and other human qualities are to be highly preserved. Winstranley and Stuart-Smith[51] suggest four ethical principles. They are

i.  respect for the individual
ii.  procedural fairness
iii.  mutual respect
iv.  transparency, management and employees.

Some kind of behavioural qualities, manners, and work ethics system are expected in managing human resource in this approach. Therefore this

approach could be designated as normative *theory of HRM*. This theory designates the normative environment at work place which means that there is a self-guided force in operation.

## 3.10 Stakeholder approach

Stakeholder approach is required which that an organization is a community of interests, all of whom should be identified and respected. In this approach, all stakeholders of the organizations are analyzed. Stakeholders are the people and organizations that possess a legitimate interest and an obligation to perform in various functions and activities of an organization may it be the authorities, employees, customers, shareholders, well wishers or any outside contributors like donors and suppliers. Through appropriate communication methods, any organization could establish effective and efficient cooperation and coordination with its all stakeholders. All are working together to achieve a common goal. Except key stakeholders who establish and maintain the organization, the other supporting stakeholders have their own vision and an agenda and therefore key stakeholders in the system deserve an acute responsibility to work collaboratively with supporting stakeholders for the betterment of the organization they are serving. In HRM, customers and shareholders are considered as some type of dominant stakeholders in the organization. University Library as an organization in Sri Lankan context, its stakeholders are as follows. (Figure 4 and 5). The ideology of this approach could be cited as *stakeholder or collaborative theory of HRM*.

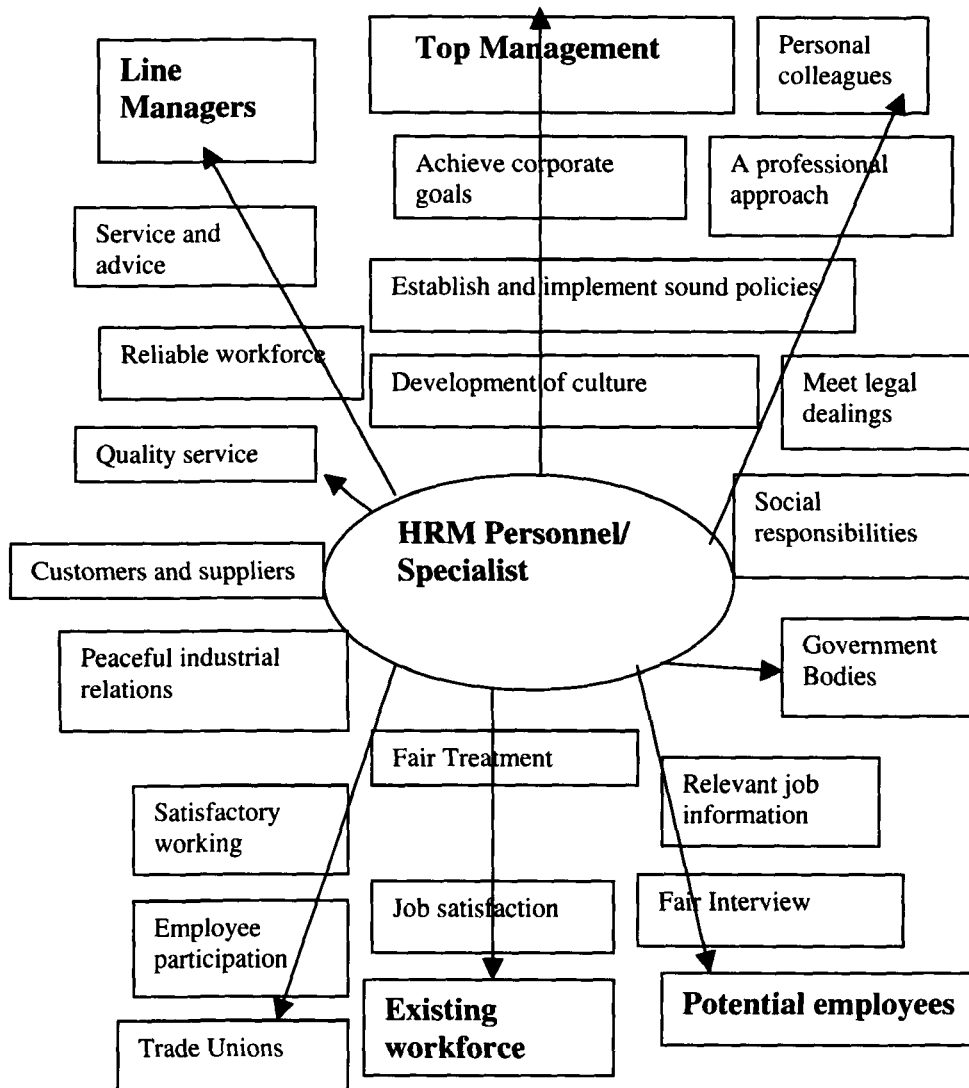## Figure 4.Stakeholders in a university library in Sri Lanka
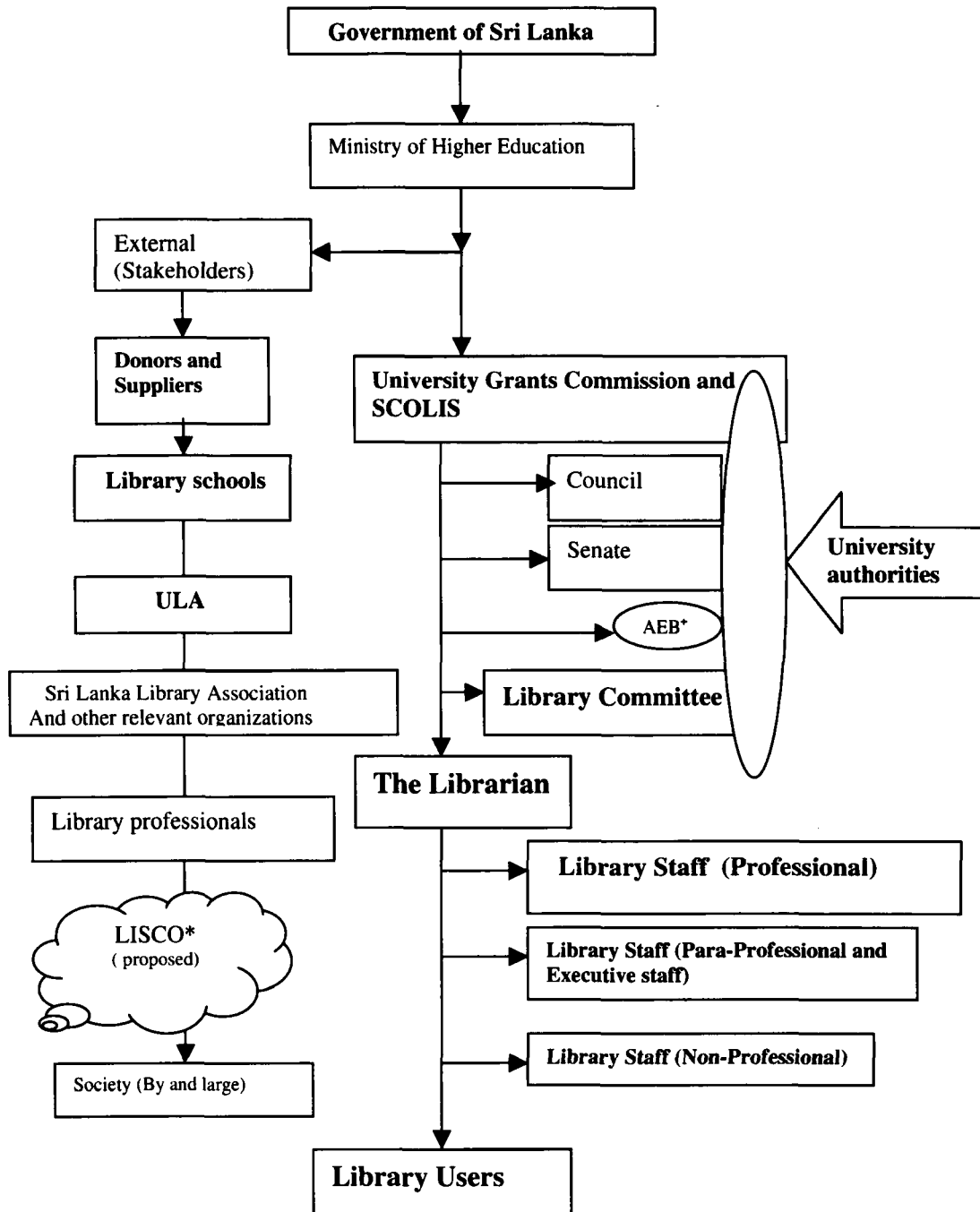


To be proposed * Library and Information Service Commission of Sri Lanka (To be proposed)

+ Academic Establishment Branch of the university

Cole's[52] stakeholder view (Figure 5) of HRM, adapted by the researcher specifies the role of HRM personnel and how HRM personnel should collaborate with stakeholders like line managers, top management, personal

colleagues, government bodies, potential employees (employees who are expected absorb in to organization in future), existing workforce, trade unions, customers and suppliers, elaborating different obligations, work strategies that they should perform.

**Figure 5.Stakeholders view of HRM**

Line Managers

Top Management

Personal colleagues

Achieve corporate goals

A professional approach

Service and advice

Establish and implement sound policies

Reliable workforce

Development of culture

Meet legal dealings

Quality service

HRM Personnel/ Specialist

Social responsibilities

Customers and suppliers

Peaceful industrial relations

Government Bodies

Fair Treatment

Relevant job information

Satisfactory working

Job satisfaction

Fair Interview

Employee participation

Trade Unions

Existing workforce

Potential employees

## Contribution of organizational theories to Human Resource Management

There had been a great influence from organizational theories to HRM theories. These organizational theories evolve from the inception of industrial revolution. Man and machine relationship, welfare programmes for worker categories, origin and development of the discipline of social sciences, recognition of the dignity of labour and human qualities, industrial relations and disputes, rules and regulations, labour laws and acts, influence of democracy

and governments ushered for the origin, growth of organizational theories as well as for the development of HRM theories. The historical development of organizational theories and the proponent of those theories are given in Table 4.

**Table 4.Historical development of organizational theories up to HRM**

| Periods | Concepts/Theories Proponents | Schools |
|---|---|---|
| Prior to 1920 | Classical school/Scientific | Taylor, Fayol, Gilbreth,Brech, Gantt |
| 1920- | Bureaucracy | Weber, Sheldon, Fisler |
| 1930- | Neo classical/Human Relations/Behaviour school | Mayo, Maslow, Follet, Barnard, McGregor, Likert, Argyris, Herzberg |
| 1960- | Systems/Contingency | Burns and Stalkar, Woodward, Katz and Kahn, Lawrence |
| 1980+ | HRM and HRM theories | Beer et al. Arthur, Huselid, MacDuffie, Guest, Schular and Jackson, Gomez- Meija and Balkin and others |

The modern HRM has evolved and developed through a number of significant organizational theories too. These management theories have been known as organizational theories. Therefore, these theories and models, including their pioneering contributors are described below since the other theories and models which are applied in HRM have already been discussed above. These organizational theories have direct influence for deriving later theories of HRM. These theories are

1. The Classical School/Scientific Management
2. Bureaucracy
3. The Human relations school
4. The Behavioural science school
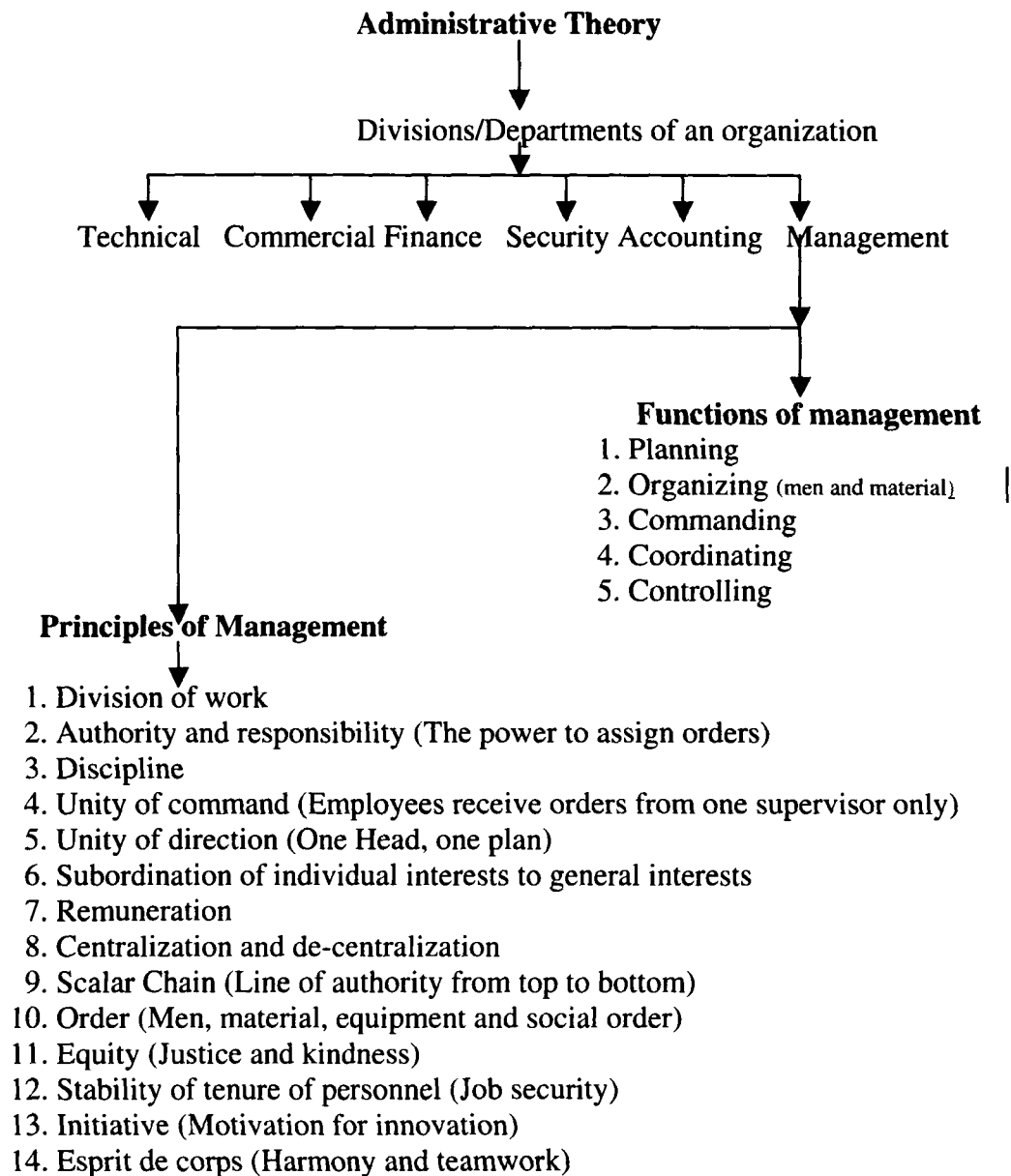5. The System theory
6. Japanese school
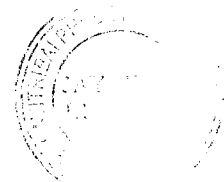
## 3.11 The Classical School/Scientific Management

Taylor[53], Fayol[54], Urwick[55], Gilbreth[56], Gantt,[57] believed more informal organizations are important than tight control and tight supervision instead they applied scientific principles. The scientific management was derived by Taylor and his scientific principles include scientific method of doing work, planning for scientific selection, training and remuneration, standardization, specialization and division of work, time and motion studies, lifting the morale

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and mental satisfaction of workers. Taylor's scientific management principles in his terminology are 'science, not rule of thumb; harmony, not discord; cooperation, not individualism; maximum output in place of restricted output; development of each man to his greatest efficiency and prosperity; and equitable division of work and responsibility between management and labour'. Fayol's contribution was an advancement of scientific management and he found the administrative theory. It is as follows.

**Figure 6.Fayol's Administrative theory**

**Administrative Theory**

↓

Divisions/Departments of an organization

↓

Technical   Commercial Finance   Security Accounting   Management

↓

**Functions of management**
1. Planning
2. Organizing (men and material)
3. Commanding
4. Coordinating
5. Controlling

**Principles of Management**

↓

1. Division of work
2. Authority and responsibility (The power to assign orders)
3. Discipline
4. Unity of command (Employees receive orders from one supervisor only)
5. Unity of direction (One Head, one plan)
6. Subordination of individual interests to general interests
7. Remuneration
8. Centralization and de-centralization
9. Scalar Chain (Line of authority from top to bottom)
10. Order (Men, material, equipment and social order)
11. Equity (Justice and kindness)
12. Stability of tenure of personnel (Job security)
13. Initiative (Motivation for innovation)
14. Esprit de corps (Harmony and teamwork)

Fayol's principles of management are shared with HRM. Even modern organizations implement these principles, despite the fact that they were found

in 1916. Still the modern organizations possess similar divisions and departments introduced by him. Fayol's ideas like power and authority vested with managers, staff disciplines, personnel and equipment order of the organization, equal opportunities, fair treatment, job security, motivation, human quality aspects like, mutual cooperation, teamwork, commitment, are directly related with HRM. The other two proponents' views Gilbreth, and Gantts[58] helped for the concepts like, work measurement, work study of employees. Gilbreth's method study and Gantt's Gantt chart underpinned many work measurement and performance appraisal techniques and methods at later stage.

## 3.12 Bureaucracy

Weber[59] was the founder of this model. The term bureaucracy has been interpreted by three connotations in management literature 'red tape rule boundness' 'officialdom' and an 'organizational form'. Researcher takes up the last view, an 'organizational form'. Through principles of bureaucracy very formalized organizational structures, styles are expected. According to this theory, more control and tight supervision, with severe rules and regulations must be applied in any organization. Hierarchical organizational structures are also expected. Most important points of his theory are competency development, organizational hierarchy, drafting rules and regulations and standards, maintenance of records and statistics, appointments based on qualifications and technical competencies, identification of separate management staff in addition to the category of owners of organization, inter-personal relationships, provision of adequate training, promotion based on seniority and achievements. Weber's ideas in this context are so profound that even today these are reflected in modern organizations and social milieu. Weber is a person who has used the term competency development at first. The very peculiar point here is that without competency development, introduced by Weber, HRM can not apply the concepts like learning to learn and learning and changing organizations. Qualities of Weber's principles are specialization, rationality, predictability and democracy.

## 3.13 The Human relations school

In managing human resources, the human relations are stronger than strict rules and regulations. The scale of attention and the relationship paid by the employers for their employees is more important than formal supervisory and more control type atmospheres. The self-help, mutual cooperation, improving attitude, developing formal and informal relationship are some of the ingredients for developing human relations. Barnard[60], Follet[61], Mayo[62] and Maslow[63] were the main contributors of this school. Maund[64] denotes that Mayo's (1880-1949) Hawthorne study (1924-1936) which was carried out at Hawthorne Work Plant at Chicago on the productivity growth over effect of lighting resulted that social interaction motivated workers hence it caused their productivity increased. Hawthorne study concludes that personnel cannot be taken as individuals in isolation; hence they have to be deployed as groups. The work place environment should be very conducive for spending both mental and physical labour. Mental and physical comforts of human resource are more important than monetary incentives. Unofficial group and their behaviour is more significance than officially appointed groups e.g. various committees and therefore managers should fulfill the social needs of employees continuously. In HRM perspectives, the underline principles related to Mayo's theory are human relations, attitudes, team work and the recognition of man as a very dignified social being in the social milieu. Maslow's hierarchical needs of human beings are a landmark in the history of HRM and motivation theories (Figure 7).

**Figure 7.Maslow's hierarchical needs of human**
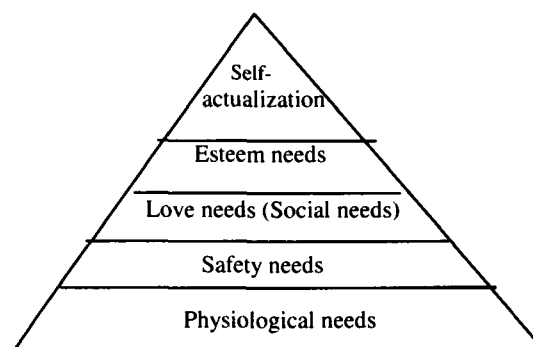


Noteworthy features of Maslow's theory conveys an idea to managers that human needs are different from person to person, place to place, and human needs have to be satisfied step by step mostly physiological needs are

belonging to worker category and esteem needs and self-actualization needs are pursued if only the other human needs are satisfied. Since library professionals are a group of high academic pursuits, they naturally feel for mutuality, friendship, brotherhood, self-help and cordiality. They possess social needs and self-actualization needs, particularly library managers.

From the above account, it can be discerned that near extrovert attitudes is not sufficient to give proper meanings to HRM theories but to go beyond the realm of behaviourism. Here one is concerned with the human relationship which is impregnated with human values and sentiments. Man is not a machine neither for that matter is he or she an animal but something higher and virtuous.

## 3.14 The Behavioural science school

This school is one of the advancements of the human relations school which believes the behaviour of the people who work in any organization is more influential than any other factors therefore more output could be achieved through utilizing behaviour changes and behaviour modification procedures. They believe that improvement of behaviour is the best motivational factor in order to get maximum output from the employees. Argyris[65], Herzberg, Mausner and Synderman[66], McGregor[67], and Likert[68] held the attitudinal improvement view which is very internal aspect of human beings contributes more than any other factors. Argyris developed maturity-immaturity theory which contemplates the individual behaviour in an organization. He assumed a descriptive and multidimensional growth process is taken place of an individual when the organization is also nurturing. He sees that people in an organization grow from infancy to adulthood when the organization also develops. Infant qualities of an individual end in short period when the qualities of maturity of the same person begin to grow. According to Argyris seven basic changes that take place in the maturing process of people over the years.

i. Human beings have a tendency to develop from a state of being passive as an infant and lead to a state of being more positivist as an adult

ii. Human beings have a tendency of dependence from their infancy and they reach for independence when they become adult

iii. People begin with behaving in few ways from their infancy and they end up with behaving in many ways when they reach at the adulthood

iv. People possess with irresponsible behaviour, feelings, attitudes, and have little interests of performing tasks and later become more responsible, proactive, and lead for deepening interests when they reach at the adulthood

v. Human being starts with the short sighted view as an infant and turns into a farsighted person when he or she becomes an adult

vi. Person starts with in the work organizations having a tendency to develop from subordinate position as an individual member of family, society, or union as an infant and turns out to be a leader of directing human resources when he or she becomes an adult.

The above principles enumerated show the underpinning of Jean Piaget's philosophy of genetic epistemology. Piaget has worked out a model where six different stages of human development of knowledge. For details, one can see Piaget's literature. Argyris's theory helps managers to understand and identify the behaviour and qualities of human beings particularly human resources in an organization.

Herzberg's[69] motivation-hygiene theory has a great influence for later theories of HRM. Job satisfaction is the main theme of this theory and he has found that employees have both satisfying (motivators) and dissatisfying (de-motivators). According Herzberg, the hygiene factors are the de-motivators. In his survey he found employees' motivators are achievement, recognition, work itself, responsibility and the advancements. The hygiene factors (demotivators) are company policy, and administration, supervision, salary, status, interpersonal relations, work conditions and security. Motivators are little introvert type of qualities while the demotivators are extrovert type. Lee[70] highlights motivators bring employees positive satisfactions which mean that employees tend dissatisfy if they find some shortfall of these motivators. The other trend of this theory is that any increase of hygiene factors does not lead to job satisfaction. The principal rationale behind this theory is that job satisfaction or motivation of employees is totally dependent on mental characteristics and needs and not the physical endowments like salary and other facilities. This view point was very instrumental for building later theories and HRM.

McGregor's two-factor theory, theory X and theory Y is obviously a mirror which everybody's behaviour could be identified. It is an assumption

about the human behaviour. Theory X assumes that employee or employees at certain occasions feel attitudes and behaviours like, lazy to work, bear pale and negative attitudes, reactive, de-motivated, ill-treated, stubborn and harassed, ignored and not cared and respected hence the employees become a hindrance to organization and they are not creative and not innovative and these employees are a burden and they never substantially contribute to the organization. Theory Y deduces that employee or employees feel attitudes and behaviours like happier and satisfied, interesting to work, positive, proactive, friendly, cared, equally and well treated, fully motivated, highly respected hence these employees are a valuable asset and they are very creative and innovative and bring new things to organization. Understanding a man and his behaviour and feelings is so laborious hence McGregor's two-factor theory was very helpful for identifying the needs and behaviour of human resources. Truss et al[71] specifying McGregor's viewpoints indicate a relationship between McGregor and later theories like 'hard' and 'soft' views and elaborates that McGregor has used these terms earlier. Walton[72] describes McGregor's Theory X indicates the 'hard' version means control, while Y stands for soft view which means mutual commitment.

Likert's (1903-1972) view has a strong impact on HRM and its theories and he stressed the employees' group behaviour, working as a group instead individual is working for, and keeping better relationship thus building manager-employee relationship in order to achieve high performances. He coined a word 'supportive relationship' between two managers, two employees and among managers and among employees finally the supportive relationship is among all human resource in the organization. Likert views were an impetus for the concept of teamwork in HRM and they helped for the development of later HRM theories like soft view and its qualities like high commitment, cohesive approach, teamwork, and high involvement and the ethical approach. Likert developed an organizational development methodology using a four levels model of human resources. He believes that human resource is the most valuable asset in the work organization and four levels have been devised on the basis of how managers treat and believe their employees. Four levels are Exploitative- Autocratic, Benevolent-Autocratic, Consultative-Democratic, and

Participative-Democratic. Likert system is interpreted as human resource approach.

## 3.15 The System theory

Mitchell[73] indicates that system theory was firstly introduced by Von Bertalanffy.[74] System is a set of inter-related parts (subsystems). Each part may have different sub-part and units. These parts are mutually related to each other. If any change occurs in one part, it naturally affects to other parts. If a system is given a chance to interact with other systems, it is called open system. Closed systems are not opened to interact with external environments. Any organization is constructed upon various systems and subsystems. Organizations consist with physical or material, social, psychological and biological subsystems. Human body is built on different systems like skeleton, nervous, muscles, digestive and excretion and reproduction. These systems and subsystems are inter-connected and inter-dependent and more results could be achieved if their relationships and inter-connectivity are strengthened. People who work in this kind organizational environment say within the system and sub systems have a definite goal to achieve. Therefore in this systematic organization, all managers are to tend to work cooperatively. In system theory, organization is visualized as a system consisting of interacting parts. There are main ingredients in a system through which system analysis also could be performed. These ingredients are parts of a system, interactions, links and communication, processes, and the goals of the systems. Parts of a system are individuals, formal organization, informal organization, status and roles and the physical setting. Individual is the most significant element of the system. Parts of the system are interdependent each other. Katz and Kahn[75] state that system theory basically deals with the problems of relationship, of structure and interdependence of organization. Moreover it deals with the functional aspect of reality of the system. They identify the roles of an individual to play in the organization. According to them, individual's role is determined by the expectations of significant role senders in that organization, including the individual's expectations from the roles is designated as "reflexive roles expectations". System theory indicates us concepts like inter-relationships, inter-personal relationships, coordination, cooperation, collaboration and

communication which prevail in a systematic organization. To assign a real value for the HRM thesis, a system's theory is propounded. Human resources are the main drivers and launchers of applying these concepts in their organizations.
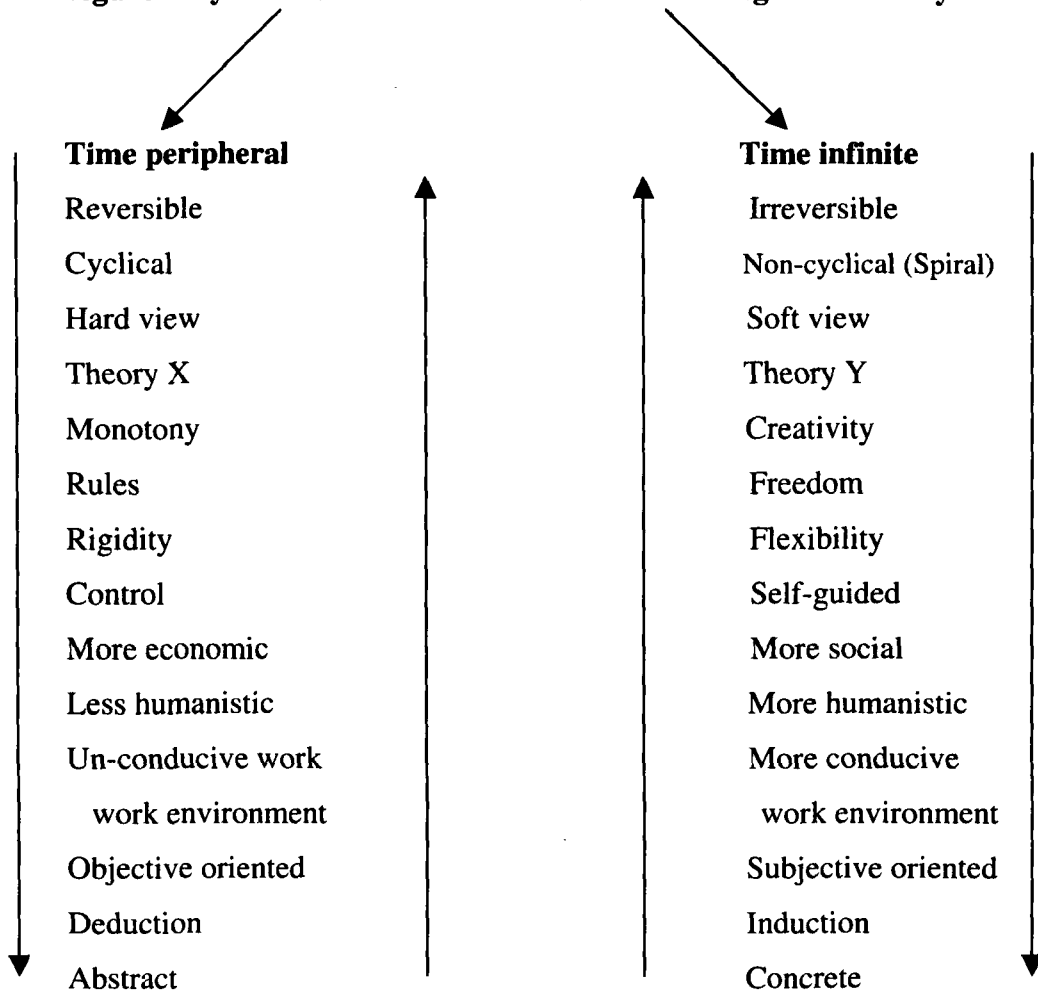
### 3.16 Japanese school

Japanese companies situated in Japan, Western and European countries use very peculiar type of management particularly in their HRM. According to Pudelko[76], it is a Japanese Human Resource Management.

They apply their own management principles. Tokoro[77] specifies it is as Japanese-style management system. There has been a debate about whether these ideas reach from Japan or derive in the firms in Western countries. Monden[78] states these principles are Just-in-time (JIT), Kaizen, Quality circle and quality management etc. Through 'Quality circles' which mean that employees are grouped in to smaller numbers for discussing, measuring and evaluating the quality of the products and they repair if any defect, keep records and statistics, and get further training if required and ultimate goal is to make a quality product. In other words, quality circle consists of seven to ten employees from the same work area who meet regularly to define, analyze and solve quality and related problems in their field. Kaizen implies continuous and never-ending improvement involving everyone (Employees) in the organization. Kaizen includes teamwork, quality management, customer care, and work ethics. Through Kaizen all employees are mutually interacted and group behaviour is highly expected hence it embraces with Japanese culture too. Boti[79] after surveying Japanese companies in Italy found that best quality production in those companies owing to HRM practices applying, like job security, promotion according to seniority, participative decision making and informal communication methods. The key features of Japanese HRM are life-time employment, promotion from within the firm, mandatory retirement of core workers at the age of 55, large number of temporary women employees, mutual trust and loyalty between management and employees, conformity of achieving the objectives and goals of both organization and employees, career paths are non-specialized with life-long job rotation, values of national culture are applied in firms, decision making is shared at all level between management

and employees, performance appraisal is long term e.g. after 10 year period, collective responsibility for the organizational success, high team management environment in the firm, industrial life is supported by advanced training and educational systems, less hierarchical organizational structure based on principles of teamwork, motto of trade unions is based on the success of the firm and not targeted for the success of individual members of the trade unions, decision making process is from bottom up approach unlike top down practices, followed by USA and UK firms. Entire features are targeted to the human resource and organizational development. McMillan[80] concludes that success of Japanese firms is dependent on three factors like, Japanese culture and human relations (mutual), adaptation of technology, international outlook in relation to their economic goals and objectives. Takezawa et al[81] characterize the elements of the success of Japanese industry like effective and flexible management structure, decision making from bottom upward, highly trained, motivated and flexible labour force. They further emphasize that a key concept in this regard is **'ikigai'**, which is defined by the Japanese as a set of psychological needs among workers for fulfilling, involving and self-actualizing the job.

From the above whole discussion, one can think about the dyadic nature of the theory of HRM. In this context, one can conceive of the basis of time's reality which is a two way path to know it. One the one hand, time is considered as cyclic or reversible and on the other, time is thought of as non-cyclic or irreversible. In the first context, time is cyclic where it does not exert its impact on the nature of reality. However, in the context of irreversibility, the time factor does make its impact on the nature of reality. In the first case, time does not contribute substantially for the creativity or novelty. It is kind of monotonous activity that affects the nature of creativity itself. Whereas, in the case of irreversibility, time plays a very pivotal role to mould new vistas of understanding of nature and reality. This irreversible approach is fundamental for scoring creativity, novelty or innovation. Time is a basic factor to shape creativity. Theory X shows the cyclical or reversible context or hard approach of HRM, while theory Y specifies the non-cyclical or irreversible context or soft approach of HRM. Through following comparison (Figure 8), one can distinguish the dyadic nature of HRM.

**Figure 8.Dyadic nature of Human Resource Management theory**

| Time peripheral | Time infinite |
|---|---|
| Reversible | Irreversible |
| Cyclical | Non-cyclical (Spiral) |
| Hard view | Soft view |
| Theory X | Theory Y |
| Monotony | Creativity |
| Rules | Freedom |
| Rigidity | Flexibility |
| Control | Self-guided |
| More economic | More social |
| Less humanistic | More humanistic |
| Un-conducive work | More conducive |
| work environment | work environment |
| Objective oriented | Subjective oriented |
| Deduction | Induction |
| Abstract | Concrete |

The next is the Chapter 04, and it discusses the concept of HRM and personnel management and other related topics. In addition to that, policy approaches and change management strategies are discussed using a pragmatic view within the Sri Lankan context. At the end of this Chapter, it is described that how the proposed HRM model was developed.

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