MHE9103 INNOVATIVE DEVELOPMENT IN HUMAN CAPITAL AND ENTREPRENEURSHIP

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HUMAN RESOURCE MANAGEMENT(HRM)

HRM in organization

Every organization, large or small, uses a variety of capital to make the business work. Capital includes cash, valuables, or goods used to generate income for a business.

For example, a retail store uses registers and inventory, while a consulting firm may have proprietary software or buildings. No matter the industry, all companies have one thing in common: they must have people to make their capital work for them. This will be our focus throughout the text: generation of revenue through the use of people's skills and abilities.

WHAT IS HRM?

Human resource management (HRM) is the process of employing people, training them, compensating them, developing policies relating to them, and developing strategies to retain them. As a field, HRM has undergone many changes over the last twenty years, giving it an even more important role in today's organizations. In the past, HRM meant processing payroll, sending birthday gifts to employees, arranging company outings, and making sure forms were filled out correctly—in other words, more of an administrative role rather than a strategic role crucial to the success of the organization. Jack Welch, former CEO of General Electric and management guru, sums up the new role of HRM: "Get out of the parties and birthdays and enrollment forms.… Remember, HR is important in good times, HR is defined in hard times" (Frasch, et. al., 2010).

HRM

It's necessary to point out here, at the very beginning of this text, that every manager has some role relating to human resource management. Just because we do not have the title of HR manager doesn't mean we won't perform all or at least some of the HRM tasks.

For example, most managers deal with compensation, motivation, and retention of employees—making these aspects not only part of HRM but also part of management. As a result, this book is equally important to someone who wants to be an HR manager and to someone who will manage a business.

THE ROLE OF HRM

Keep in mind that many functions of HRM are also tasks other department managers perform, which is what makes this information important, despite the career path taken. Most experts agree on seven main roles that HRM plays in organizations. These are described in the following sections.

STAFFING

Staffing

You need people to perform tasks and get work done in the organization. Even with the most sophisticated machines, humans are still needed. Because of this, one of the major tasks in HRM is staffing. Staffing involves the entire hiring process from posting a job to negotiating a salary package. Within the staffing function, there are four main steps:

1. Development of a staffing plan. This plan allows HRM to see how many people they should hire based on revenue expectations.

2. Development of policies to encourage multiculturalism at work. Multiculturalism in the workplace is becoming more and more important, as we have many more people from a variety of backgrounds in the workforce.

3.Recruitment. This involves finding people to fill the open positions.

4. Selection. In this stage, people will be interviewed and selected, and a proper compensation package will be negotiated. This step is followed by training, retention, and motivation.

DEVELOPMENT OF WORKPLACE POLICIES

Every organization has policies to ensure fairness and continuity within the organization. One of the jobs of HRM is to develop the verbiage surrounding these policies. In the development of policies, HRM, management, and executives are involved in the process. For example, the HRM professional will likely recognize the need for a policy or a change of policy, seek opinions on the policy, write the policy, and then communicate that policy to employees. It is key to note here that HR departments do not and cannot work alone. Everything they do needs to involve all other departments in the organization. Some examples of workplace policies might be the following:

DEVELOPMENT OF WORKPLACE POLICIES

1 Discipline process policy

2 Vacation time policy

3 Dress code

4 Ethics policy

5 Internet usage policy

COMPENSATION AND BENEFITS ADMINISTRATION

Compensation and Benefits Administration

HRM professionals need to determine that compensation is fair, meets industry standards, and is high enough to entice people to work for the organization. Compensation includes anything the employee receives for his or her work. In addition, HRM professionals need to make sure the pay is comparable to what other people performing similar jobs are being paid. This involves setting up pay systems that take into consideration the number of years with the organization, years of experience, education, and similar aspects. Examples of employee compensation include the following:

COMPENSATION AND BENEFITS ADMINISTRATION

1 Pay

2 Health benefits

3 retirement plans

4 Stock purchase plans

5 Vacation time

6 Sick leave

7 Bonuses

8 Tuition reimbursement

COMPENSATION AND BENEFITS ADMINISTRATION

Matching Compensation with Core Values

the compensation package your company offers, one thing that stands out is that your compensation package no longer matches the core values of your organization. When your organization merged five years ago with a similar firm that specializes in online shoe retailing, your company had to hire hundreds of people to keep up with growth. As a result—and what happens with many companies—the compensation plans are not revised and revisited as they should be. The core values your company adopted from the merging company focused on customer service, freedom to work where employees felt they could be most productive, and continuing education of employees, whether or not the education was related to the organization. The compensation package, providing the basic salary, health benefits, and plans, seems a bit old-fashioned for the type of company yours has become.

COMPENSATION AND BENEFITS ADMINISTRATION

After reviewing your company's strategic plan and your human resource management (HRM) strategic plan, you begin to develop a compensation plan that includes salary, health benefits, and plans, but you feel it might be smart to better meet the needs of your employees by making some changes to these existing plans. For example, you are considering implementing a team bonus program for high customer service ratings and coverage for alternative forms of medicine, such as acupuncture and massage. Instead of guessing what employees would like to see in their compensation packages, you decide to develop a compensation survey to assess what benefits are most important to your employees. As you begin this task, you know it will be a lot of work, but it's important to the continued recruitment, retention, and motivation of your current employees.

RETENTION

Retention involves keeping and motivating employees to stay with the organization. Compensation is a major factor in employee retention, but there are other factors as well. Ninety percent of employees leave a company for the following reasons:

1 Issues around the job they are performing

2 Challenges with their manager

3 Poor fit with organizational culture

4 Poor workplace environment

Despite this, 90 percent of managers think employees leave as a result of pay (Rivenbark, 2010). As a result, managers often try to change their compensation packages to keep people from leaving, when compensation isn't the reason they are leaving at all.

RETENTION AND MOTIVATION

Dissatisfaction Isn't Always about Pay

As an HR consultant, your job normally involves reviewing HR strategic plans and systems of small to medium size companies, then making recommendations on how to improve. Most of the companies you work with do not have large HR departments, and they find it less expensive to hire you than to hire a full-time person.

FOR EXAMPLE

For Example, Your current client, Pacific Books, is a small online retailer with forty-seven employees. Pacific Books has had some challenges, and as the economy has improved, several employees have quit. They want you to look into this issue and provide a plan to improve retention.

Pacific Books currently has just one person managing payroll and benefits. The individual managers in the organization are the ones who handle other HR aspects, such as recruiting and developing compensation plans. As you speak with the managers and the payroll and benefits manager, it is clear employees are not happy working for this organization. You are concerned that if the company does not improve its employee retention, they will spend an excessive amount of time trying to recruit and train new people, so retention of the current employees is important.

FOR EXAMPLE, WHAT EMPLOYEES WANT?

what employees want?

As with most HR issues, rather than just guessing what employees want, you develop a survey to send to all employees, including management. You developed the survey on SurveyMonkey and asked employee satisfaction questions surrounding pay and benefits. However, you know that there are many other things that can cause someone to be unhappy at work, so to take this survey a step further, you decide to ask questions about the type of work employees are doing, management style, and work-life balance. Then you send out a link to all employees, giving them one week to take the survey.

FOR EXAMPLE, WHAT EMPLOYEES WANT?

When the results come in, they are astounding. Out of the forty-seven employees, forty-three selected "dissatisfied" on at least four or more areas of the five-question survey. While some employees are not happy with pay and benefits, the results say that other areas of the organization are actually what are causing the dissatisfaction. Employees are feeling micromanaged and do not have freedom over their time. There are also questions of favoritism by some managers for some employees, who always seem to get the "best" projects. When you sit down with the CEO to discuss the survey results, at first she defends the organization by saying the company offers the highest salaries and best benefits in the industry, and she doesn't understand how someone can be dissatisfied. You explain to her that employee retention and motivation is partly about pay and benefits, but it includes other aspects of the employee's job, too. She listens intently and then asks you to develop a retention and motivation plan that can improve the organization.

TRAINING AND DEVELOPMENT

Once we have spent the time to hire new employees, we want to make sure they not only are trained to do the job but also continue to grow and develop new skills in their job. This results in higher productivity for the organization. Training is also a key component in employee motivation. Employees who feel they are developing their skills tend to be happier in their jobs, which results in increased employee retention. Examples of training programs might include the following:

1 Job skills training, such as how to run a particular computer program

2 Training on communication

3 Team-building activities

4 Policy and legal training, such as sexual harassment training and ethics training

DEALING WITH LAWS AFFECTING EMPLOYMENT

Dealing with Laws Affecting Employment

Human resource people must be aware of all the laws that affect the workplace. An HRM professional might work with some of these laws:

1 Discrimination laws

2 Health-care requirements

3 Compensation requirements such as the minimum wage

4 Worker safety laws

5 Labor laws

The legal environment of HRM is always changing, so HRM must always be aware of changes taking place and then communicate those changes to the entire management organization. Rather than presenting a chapter focused on HRM laws, we will address these laws in each relevant chapter.

WORKER PROTECTION

Worker Protection

Safety is a major consideration in all organizations. Oftentimes new laws are created with the goal of setting federal or state standards to ensure worker safety. Unions and union contracts can also impact the requirements for worker safety in a workplace. It is up to the human resource manager to be aware of worker protection requirements and ensure the workplace is meeting both federal and union standards. Worker protection issues might include the following:

1 Chemical hazards

2 Heating and ventilation requirements

3 Use of "no fragrance" zones

4 Protection of private employee information

COMMUNICATION

Communication

Besides these major roles, good communication skills and excellent management skills are key to successful human resource management as well as general management.

FOR EXAMPLE, SUCCESSFUL EMPLOYEE COMMUNICATION

The Biggest Challenge

Casey is seated at his desk reviewing his human resource strategic plan when Lily walks in, obviously upset. Her facial expressions show she is upset, and after she enters, she crosses her arms while standing in front of Casey's desk. Casey thinks Lily is a very hard worker and does an excellent job managing people as the manager of her marketing department. Lately, she has been having trouble with some of her employees.

AWARENESS OF EXTERNAL FACTORS

Awareness of External Factors

In addition to managing internal factors, the HR manager needs to consider the outside forces at play that may affect the organization. Outside forces, or **external factors**, are those things the company has no direct control over; however, they may be things that could positively or negatively impact human resources. External factors might include the following:

AWARENESS OF EXTERNAL FACTORS

1 Globalization and offshoring

2 Changes to employment law

3 Health-care costs

4 Employee expectations

5 Diversity of the workforce

6 Changing demographics of the workforce

7 A more highly educated workforce

8 Layoffs and downsizing

9 Technology used, such as HR databases

10 Increased use of social networking to distribute information to employees

FOR EXAMPLE

For example, the recent trend in **flexible work schedules** (allowing employees to set their own schedules) and **telecommuting** (allowing employees to work from home or a remote location for a specified period of time, such as one day per week) are external factors that have affected HR. HRM has to be aware of these outside issues, so they can develop policies that meet not only the needs of the company but also the needs of the individuals. Another example is the Patient Protection and Affordable Care Act, signed into law in 2010. Compliance with this bill has huge implications for HR.

FOR EXAMPLE

For example, a company with more than fifty employees must provide health-care coverage or pay a penalty. Currently, it is estimated that 60 percent of employers offer health-care insurance to their employees (Cappelli, 2010). Because health-care insurance will be mandatory, cost concerns as well as using health benefits as a recruitment strategy are big external challenges. Any manager operating without considering outside forces will likely alienate employees, resulting in unmotivated, unhappy workers. Not understanding the external factors can also mean breaking the law, which has a concerning set of implications as well.

- Attitudes or beliefs about what is acceptable or what is right. For example, the trend toward work-life balance.

- How the legal aspects of business affect HRM, such as discrimination laws or requirements for health care, or employer-paid taxes.

Social

Legal

Technological
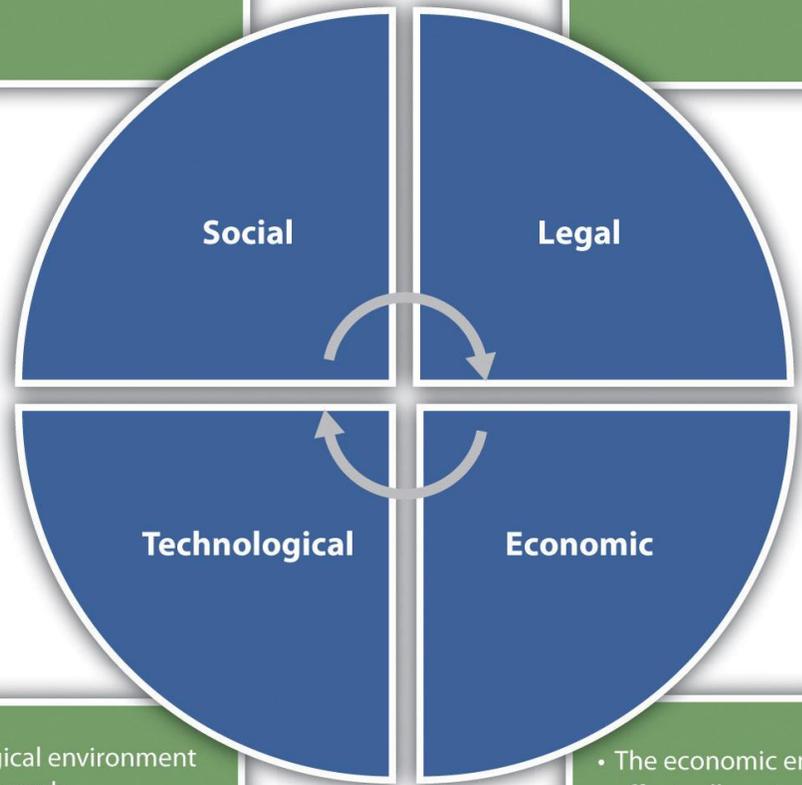
Economic

- The technological environment impacts how people communicate, which affects HR. Due to technology there are ways to track employee performance, compensation, and even hiring processes.

- The economic environment affects all parts of business and affects HRM in terms of how many employees might be needed.

FOR THE PICTURE

An understanding of key external factors is important to the successful HR professional. This allows him or her to be able to make strategic decisions based on changes in the external environment. To develop this understanding, reading various publications is necessary.

KEY TAKEAWAYS

Key Takeaways

1 Capital includes all resources a company uses to generate revenue. Human resources or the people working in the organization are the most important resource.

2 Human resource management is the process of employing people, training them, compensating them, developing policies relating to the workplace, and developing strategies to retain employees.

3 There are seven main responsibilities of HRM managers: staffing, setting policies, compensation and benefits, retention, training, employment laws, and worker protection. In this book, each of these major areas will be included in a chapter or two.

KEY TAKEAWAYS

4 In addition to being concerned with the seven internal aspects, HRM managers must keep up to date with changes in the external environment that may impact their employees. The trends toward flexible schedules and telecommuting are examples of external aspects.

5 To effectively understand how the external forces might affect human resources, it is important for the HR manager to read the HR literature, attend conferences, and utilize other ways to stay up to date with new laws, trends, and policies.

EXERCISES

Exercises

1 State arguments for and against the following statement: there are other things more valuable in an organization besides the people who work there.

2 Of the seven tasks an HR manager does, which do you think is the most challenging? Why?

Send it to me via email: **student.kerdpitak@gmail.com**

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HRD AND SYSTEM THEORY

Discussions about system theory invariably begin with the usual disclaimer that system theory is not actually a single, formal theory per se. Rather, that system theory can be more accurately characterized as constituting a set of models, principles, and laws that apply to all entitles, regardless of their kind (von Bertalanffy, 1968).

Von Bertalanffy, the generally acknowledged intellectual force on the topic, further likened the understanding and acceptance of general system theory as a shift in scientific paradigm, from a mechanistic focus on individual aspects to a focus on the parts and the whole at the same time.

HRD AND SYSTEM THEORY

The goal of system theory is to explain things, natural or artificial, as that of systems and the interplay of their respective constituent parts. As a result, system theory has served to integrate various scientific fields, especially those with an applied orientation, through a common set of understandings and language. System theory does not provide the content for any given field of study, but instead provides much of its form and structure. It is for that reason, say, that quantum mechanics can be shown to have certain correspondences with that of human resource development, two totally unrelated fields.

HRD AND SYSTEM THEORY

How system theory explains commonalities across disciplines can often be confirmed in a practical sense. For instance, a range of professionals—information technologists, management consultants, salespersons, and engineers—may all refer to goals, customers, needs, projects, constraints, and timelines as part of their work, without ever realizing that the source of these terms and the meanings attached to them are derived originally from core system theory principles. Isomorphism is the system theory term used that refers to the parallel structures that exist among systems (von Bertalanffy, 1968).

HRD AND SYSTEM THEORY

At the core of understanding system theory is the singular meaning of system (Ackoff, 1999). There are real systems that represent observations of actual things or conceptual systems that may correspond with reality, but the components are meant to be symbolic or abstract, such as logical schemes. The conceptual framework of a research study that shows the relationships among variables is an example of a conceptual system. It seems reasonable to restrict the discussion in this chapter to artificial systems that have been purposely designed. A system may be conceptualized in its current observable state and it may be represented in a not yet realized ideal or future state. Articulating between current and idealized system states constitutes much of the planning process across disciplines.

HRD AND SYSTEM THEORY

A system at once has component parts or elements, each of the parts having unique attributes; the parts have relationships and interactions among each other; and, finally, the system has an environment or a context in which the parts function as a whole. From this perspective, literally all objects, events, or combination of actions with things are considered systems. Simply put, everything possible is, in fact, a system.

As presented in Figure 2.1, a system has sets of inputs, processes, outputs, and feedback or feed forward. In brief, inputs are the various elements, some of which are not readily apparent, that a system uses as resources from which to function. The goal, or the reason for the existence of the system, is a critical type of input, as it focuses, energizes, and differentiates one system from another. Resources used by the system, such as money, materials, facilities, people, and information, also constitute important sets of inputs.

HRD AND SYSTEM THEORY

System Theory provides a powerful lens through which to understand and manage Human Resource Development (HRD). Instead of viewing HRD components in isolation, systems theory emphasizes their interconnectedness and how they function as a cohesive whole within the larger organizational ecosystem.

1. HRD as an Open System

2. Interconnectedness and Interdependence

3. Dynamic and Adaptive Nature

4. Importance of Boundaries and Environment

1. HRD AS AN OPEN SYSTEM

Inputs: HRD receives inputs from its environment, both internal and external.

- **Internal:** Organizational strategy, culture, existing employee skills, budgets, available technology, leadership support, and information from other HR functions (e.g., recruitment data, performance appraisal results).

- **External:** Economic conditions, labor market trends, technological advancements, societal values, legal and regulatory frameworks, and competitor practices.

1. HRD AS AN OPEN SYSTEM

Processes: These inputs are transformed through various HRD processes.

- **Needs Assessment:** Identifying skill gaps and development priorities.

- **Program Design:** Developing training courses, workshops, career paths, and OD interventions.

- **Implementation:** Delivering the programs, coaching, mentoring, and facilitating change.

- **Evaluation:** Assessing the effectiveness and impact of HRD initiatives.

1. HRD AS AN OPEN SYSTEM

Outputs: The results of HRD processes that contribute to organizational goals.

Improved employee skills and knowledge.

Enhanced individual and organizational performance.

Increased employee engagement and retention.

Improved organizational adaptability and change readiness.

A stronger organizational culture.

1. HRD AS AN OPEN SYSTEM

Feedback/**Feedforward:** Crucial for continuous improvement.

Feedback: Information on the effectiveness of outputs (e.g., performance metrics, employee feedback, training evaluations) is fed back into the system to adjust inputs and processes.

Feedforward: Anticipating future needs and proactively adjusting HRD strategies based on projected changes in the environment or organizational strategy.

2. INTERCONNECTEDNESS AND INTERDEPENDENCE

Holistic View: System theory highlights that HRD is not a collection of separate activities (e.g., "training" or "performance appraisal") but rather an integrated system where each component influences and is influenced by others.

Synergy: When HRD components work together effectively, they create a synergistic effect, meaning the overall outcome is greater than the sum of the individual parts. For example, effective training (process) can lead to improved employee performance (output), which in turn feeds into better organizational results.

2. INTERCONNECTEDNESS AND INTERDEPENDENCE

Ripple Effects: A change in one part of the HRD system can have ripple effects throughout the entire system and the broader organization. For instance, a new strategic direction (input) will necessitate changes in employee skills (output), requiring adjustments to training programs (process).

Subsystems: HRD itself is a subsystem within the larger organizational system. It interacts with other organizational subsystems like finance, operations, marketing, and IT. For example, HRD needs budgetary inputs from finance and its outputs (e.g., skilled workforce) are crucial for operations and marketing.

3. DYNAMIC AND ADAPTIVE NATURE

Complex Adaptive Systems (CAS): Organizations and their HRD functions can be viewed as complex adaptive systems. This means they are constantly interacting with their environment, learning, and evolving. HRD must be flexible and adaptable to changing circumstances.

Equifinality: System theory suggests that a system can achieve the same outcome through different paths. In HRD, this means there isn't one "best" way to develop employees; different combinations of programs and interventions can lead to similar positive results, depending on the context.

Homeostasis: Systems tend to maintain a state of equilibrium. When changes occur, the system will adjust to restore balance. HRD can play a role in facilitating this adjustment during organizational change.

4. IMPORTANCE OF BOUNDARIES AND ENVIRONMENT

Boundaries: While HRD has its internal components, its boundaries are permeable, allowing interaction with the external environment. Understanding these boundaries helps define the scope of HRD's influence and responsibilities.

Environmental Influence: External factors significantly impact HRD strategy and practice. For example, a tight labor market might necessitate a greater focus on employee retention and internal development.

4. IMPORTANCE OF BOUNDARIES AND ENVIRONMENT

Implications for HRD Management through a Systems Lens:

Strategic Alignment: HRD must be tightly integrated with the overall business strategy. This means HRD initiatives are not just "nice-to-haves" but essential drivers of organizational success.

Holistic Problem Solving: When addressing HRD challenges (e.g., low productivity), managers should look beyond immediate symptoms and consider the interconnected systemic factors that might be contributing to the issue.

Continuous Improvement: The feedback loops inherent in systems theory emphasize the need for ongoing evaluation, learning, and adjustment of HRD programs.

Cross-Functional Collaboration: Recognizing HRD as a subsystem necessitates strong collaboration with other departments to ensure alignment and shared understanding of goals.

4. IMPORTANCE OF BOUNDARIES AND ENVIRONMENT

Change Management: System theory provides a framework for understanding how change in one area impacts others, allowing HRD professionals to anticipate challenges and develop comprehensive change management strategies.

Data-Driven Decisions: By viewing HRD as a system with measurable inputs, processes, and outputs, managers can leverage data analytics to assess effectiveness and demonstrate the value of HRD to the organization.

In essence, applying system theory to HRD encourages a comprehensive, integrated, and dynamic approach to developing human capital. It helps HRD professionals move from a fragmented, reactive approach to a strategic, proactive one that recognizes the profound interconnectedness of people, processes, and organizational outcomes.
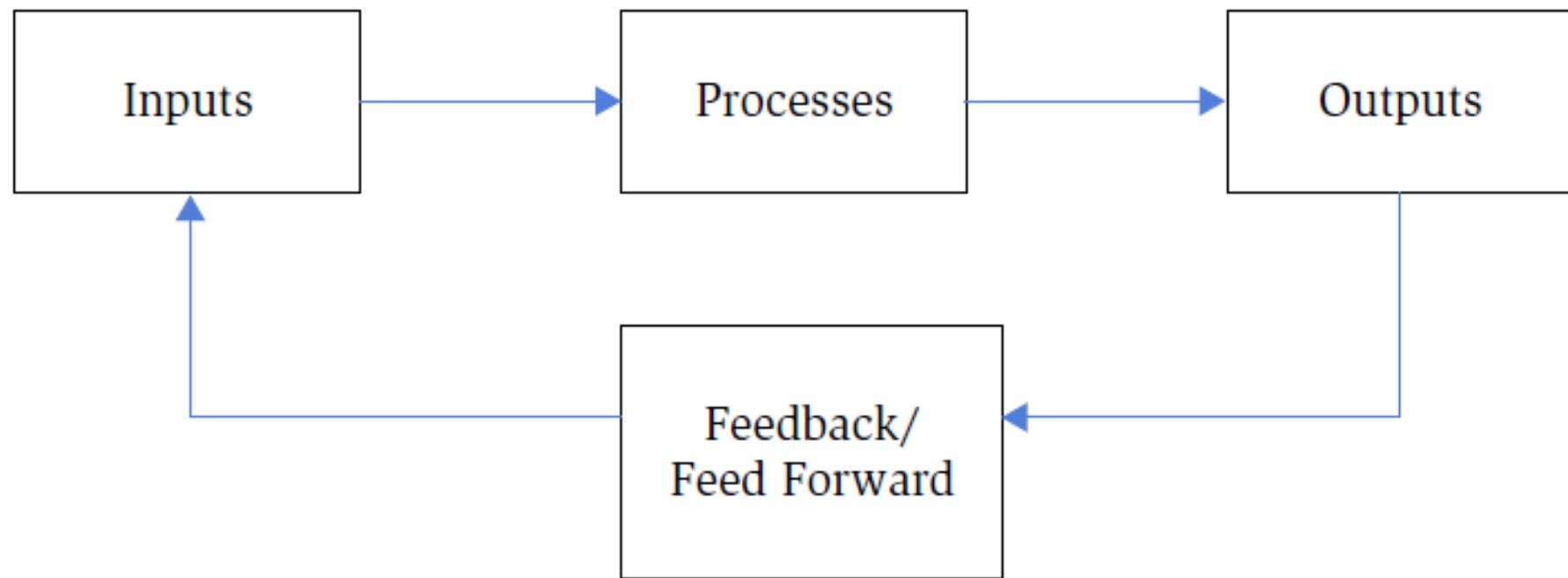
Figure 2.1 Basic Components of Systems

HRD AND SYSTEM THEORY

Processes are the various activities that a system undertakes to use the various inputs to achieve the intended goals. This may include human actions, machine actions using technology, or some combination of the two. Outputs are the results, both intended and unintended, that occur from the processes. How those outputs are achieved may be accomplished through varying approaches or experiences, representing the principle of equifinality.

HRD AND SYSTEM THEORY

Finally, feedback and feed forward mechanisms allow systems to be managed and regulated in some predictable way. The aspects of feedback and feed forward themselves have evolved into a separate discipline known as cybernetics, which focuses on how communication directs and controls system behavior (Wiener, 1988). When information from the outputs returns back to the inputs unchanged, then it essentially becomes feedback. But whenthe information from the outputs causes changes to the inputs in some way, then it becomes feed forward. The common example of a room thermostat helps illustrate this point. Feedback occurs when the temperature in the room reaches the temperature set on the thermostat; the furnace will turn off, since its affects are no longer required. This illustrates the process of homeostasis in which a system state changes—furnace turns on and off—to stay the same. In this case, the room temperature matches the thermostat setting. Feed forward is when the temperature setting on the thermostat is purposely changed to either a higher or lower setting from the original setting, which in turn causes the furnace to respond by changing its process cycle, either by staying on for a longer or shorter period of time.

IMPLICATIONS OF SYSTEM THEORY

As an applied field of study, human resource development draws three interrelated implications from system theory: (1) the HRD process, (2) HRD as a system, and (3) the management of HRD systems. These implications represent a system design perspective, which basically seeks to engage in the design and management of relatively complex systems, such as organizations, that is, organizations that combine people, machines, technology, buildings, money, and processes in particular ways to achieve their missions.

IMPLICATIONS OF SYSTEM THEORY

All applied fields of study and practice have a dual nature to them. That is, applied fields have both their contributing bodies of knowledge and sets of practices that apply the body of knowledge in useful ways to solve societal problems. An analogy for the relationship between the bodies of knowledge and the application of that information might be taken from examining the two sides of a coin. Each side differs from the other, but the coin cannot possibly exist without having the two sides together. Some fields of study, such as philosophy, mathematics, or the liberal arts, do not have an external referent to them. Applying a body of knowledge into its respective practice realm requires design as both a process and an outcome. System design is fundamental for all applied fields of study: architecture, engineering, law, management, and even medicine. Practitioners of all sorts are bound by the common action of engaging in a design process to achieve an outcome (Van Aken & Romme, 2009).

HRD PROCESS

The first major implication recognizes the fundamental importance of the HRD process. As shown in Figure 2.2, the HRD process represents the system approach at a relatively high level of abstraction and identifies the work that most HRD professionals actually perform. Many of the recent HRD competency studies are based on components of the HRD process. As an example of a system approach, the HRD process has the following characteristics:
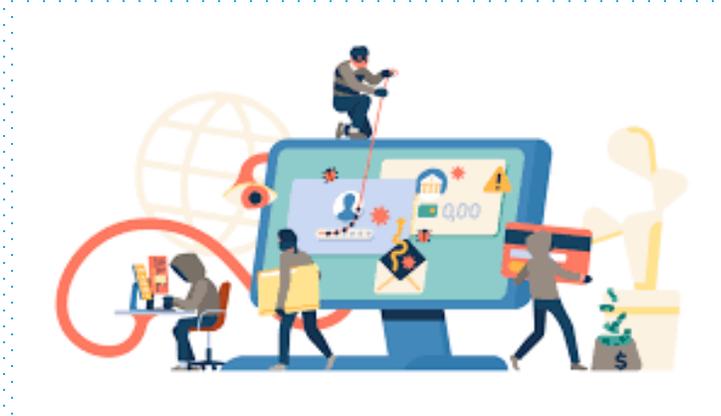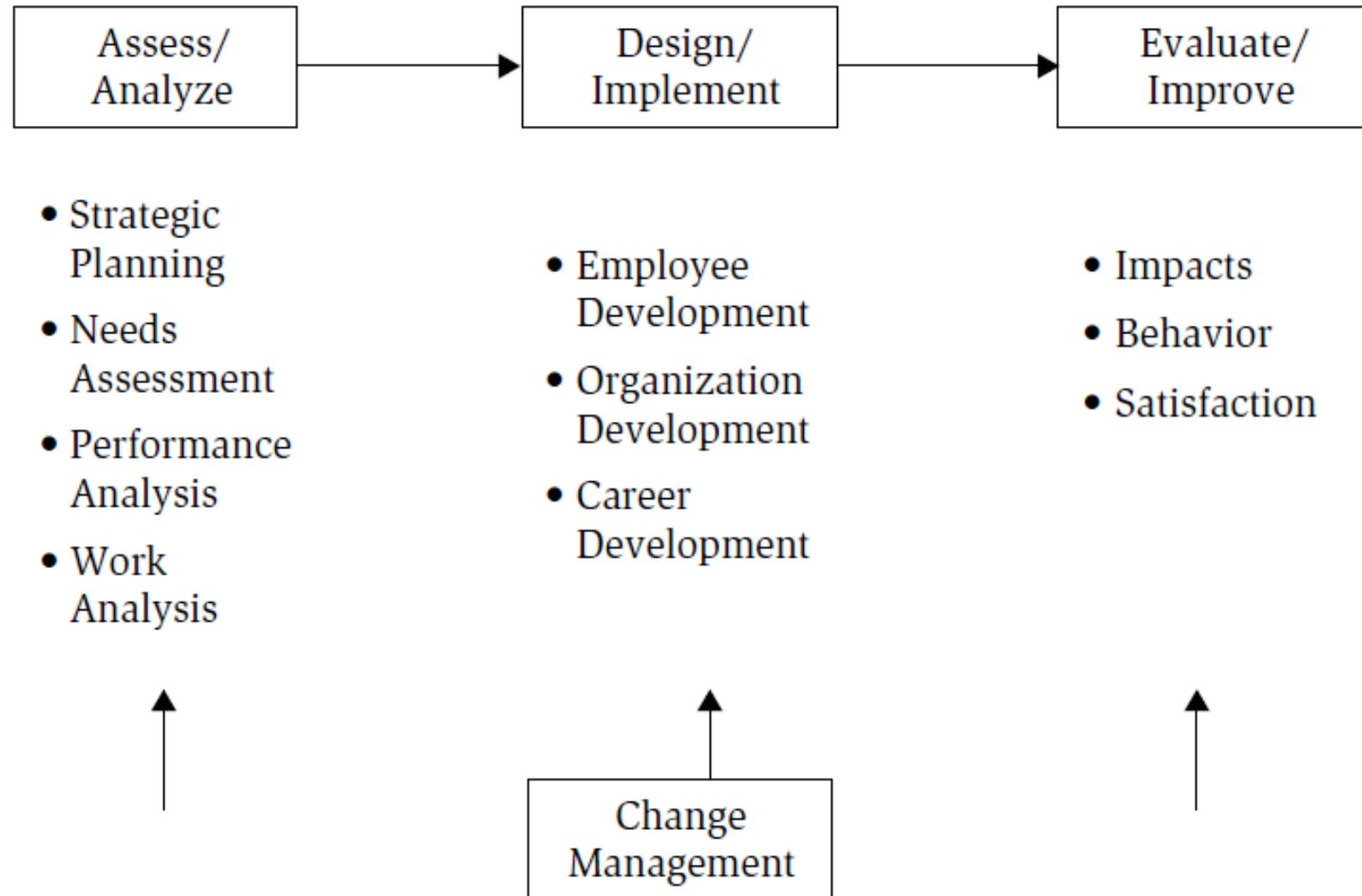
Figure 2.2 The HRD Process

HRD PROCESS

• The HRD process is comprised of many different sub-processes, such as strategic planning, needs assessment, and so on, which are logically grouped together into distinct major phases.

• The major phases are organized such that stating the intended outcomes of the HRD process precedes all the other phases, in this case in the Assess/Analyze phase.

• The phases are organized such that the intended outcomes and the means for achieving the outcomes reside in separate phases, so that there is no conceptual confusion between the two sets of activities.

• The phases show a logical sequence of planning events, but the phases are not necessarily lockstep in sequence, and the phases must interact and inform each other during their use.

• The phases may reveal errors or flaws in what was done in previous phases, requiring that the sequence of the phases should be considered iterative and repeatable as required.

HRD PROCESS

The HRD process encompasses many more specific design processes, based on the intended outcome of the process. For instance, the performance analysis process logically leads to a report describing performance problems, potential causes, and HRD solutions. As shown in Figure 2.3, a training design process based on the ISO 10015 Guidelines (Jacobs & Wang, 2007) leads to the development of a training program. The structured on-the-job training (S-OJT) process (Jacobs, 2003) leads to the development of an S-OJT program. An organization development process leads to the development and implementation of an OD program (McLean, 2006). Each process is itself an example of a system and, as a result, carries with it the same embedded characteristics of all system approaches.
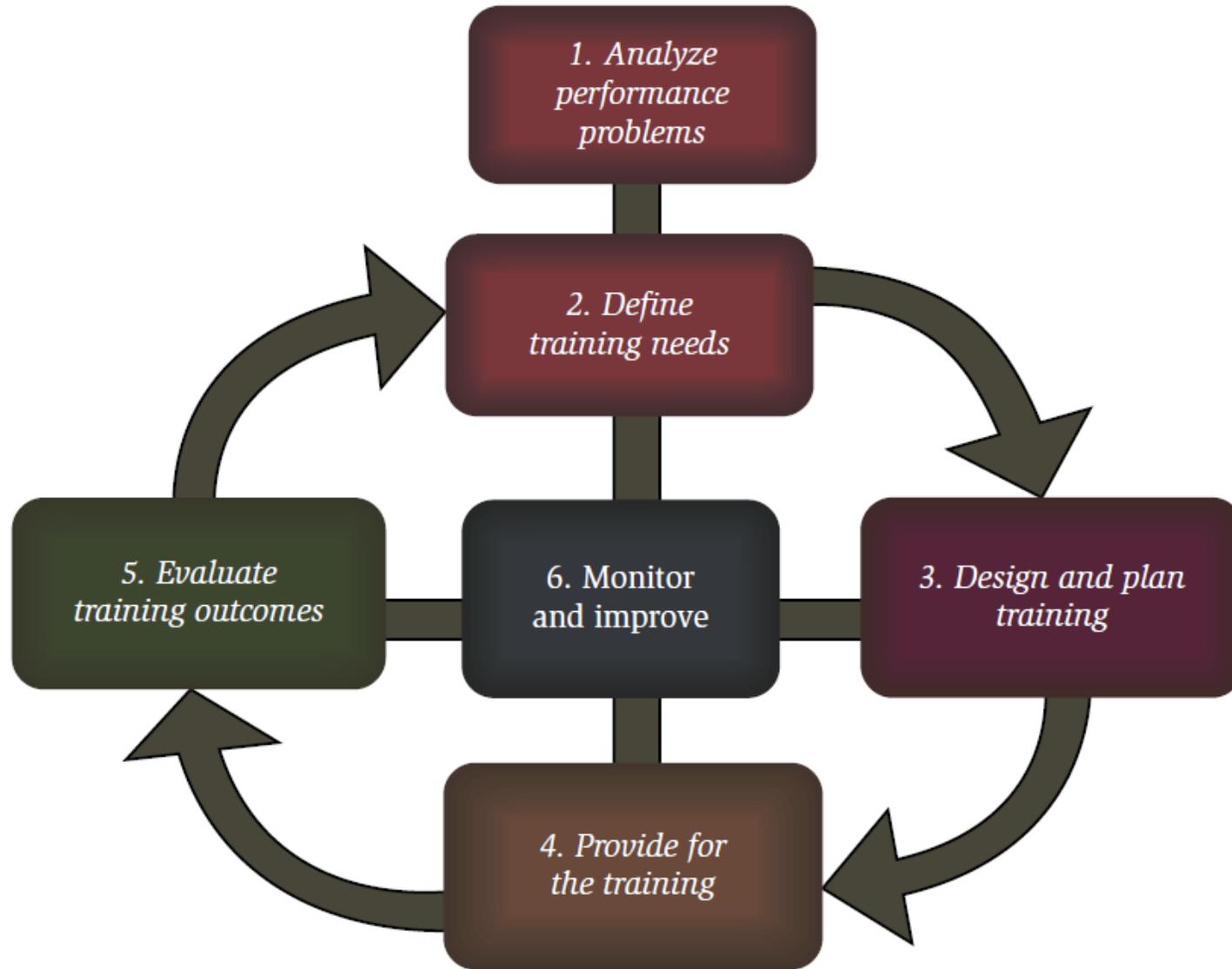
Figure 2.3 Training Development System Based on the ISO 10015 Guidelines

HRD PROCESS

The HRD process provides a touchstone for understanding much about HRD professional behavior, whether it might involve designing a training program, coaching employees to perform better, or managing an organizational change process. In all of these instances, the HRD process enforces a certain level of discipline, ensuring that the ends are specified first. That is, the ends, or what outcomes are sought from the beginning, should be specified to the extent possible first; then the means are specified to provide the way to achieve the ends.

HRD PROGRAM

The second major implication of system theory to HRD is the assertion that all HRD programs are themselves a system. As shown in Table 2.1, HRD programs can take on many different forms, categorized under the headings ofemployee development, organization development, career development, and performance support types of programs. Regardless, each program has its own set of inputs, processes, outputs, and environmental context.

For instance, in Figure 2.4, Jacobs (2003) presented the system components when considering S-OJT programs as a system. Kong and Jacobs (2012) presenteda system perspective of e-learning training programs. The value of this implication ensures that critical variables are accounted for, even though they might not be readily apparent to the observer. Understanding HRD programs as a system makes visible what might be missed otherwise.

Table 2.1 HRD Programs

Employee Development	Organization Development	Career Development	Performance Support
Training	*Human Relations/ Self-Awareness*	*Career Planning*	*Types*
Technical	Team building	Counseling	Printed guides
Managerial	Diversity	Job rotations	Embedded guides
Awareness	Rope climbing	MBOs	FAQs
Education	Myers-Briggs Type Inventory	Mentoring	
Seminars		*Career Management*	
Workshops	Climate, culture surveys	Tuition assistance	
Courses	*Individual/Group Change*	Job rotation	
Locations		Mentoring	
Off the job	Talent development	Coaching	
On the job	Performance management	MBOs	
Approaches	*Structural Redesign*		
Self-study	Task redesign		
One-on-one	Job redesign		
Group	Workflow redesign		
Methods			
Discovery			
Presentation			
Discussion			
Role play			
Simulation			

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┌──────────────────┐        ┌──────────────────┐        ┌──────────────────┐
│  Training Inputs │───────▶│ Training Process │───────▶│ Training Outputs │
└──────────────────┘        └──────────────────┘        └──────────────────┘

· Novice employee           · Get ready to train         · Training performance
· Experienced employee      · Deliver the S-OJT module    · Work performance
· Training location         · Ensure the trainee has learned  · Trainee development
· Work to be learned
· Technology
                            ┌──────────────────────────────┐
                            │     Organizational Context   │
                            └──────────────────────────────┘
```
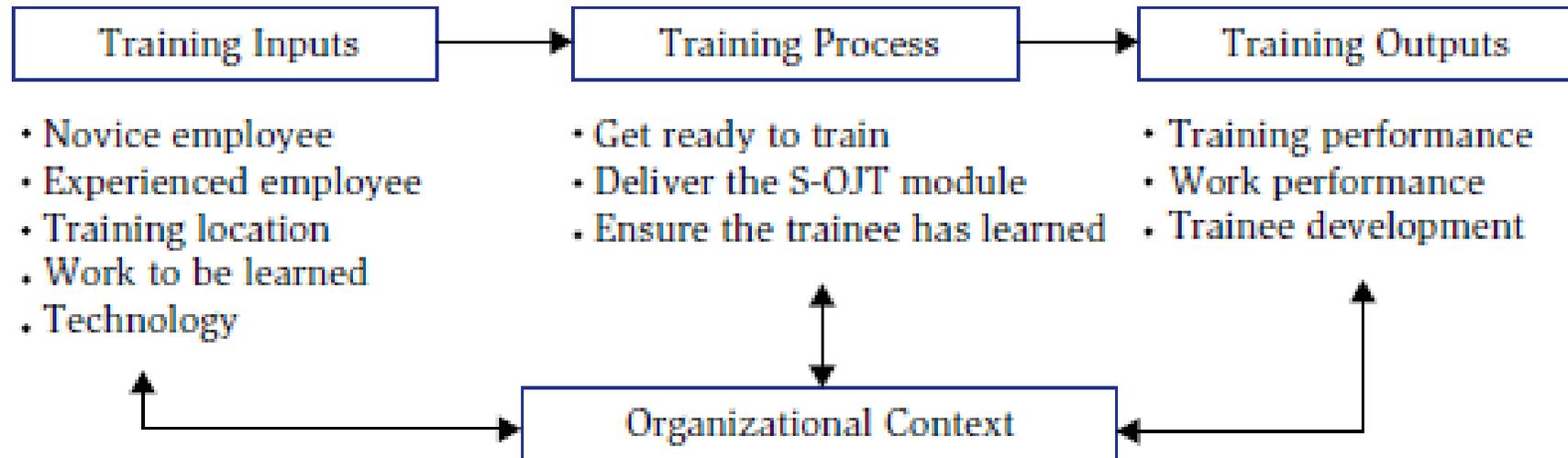
Figure 2.4 Structured On-the-Job Training as a System

Table 2.1 HRD Programs

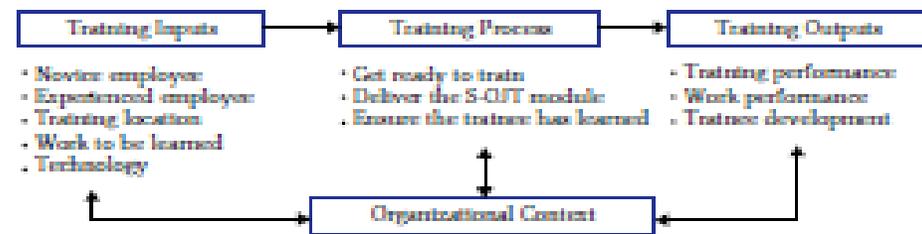| Employee Development	Organization Development	Career Development	Performance Support
Training	Human Relations/ Self-Awareness	Career Planning	Types
Technical	Team building	Counseling	Printed guides
Managerial	Diversity	Job rotations	Embedded guides
Awareness	Rope climbing	MBOs	FAQs
Education	Myers-Briggs Type Inventory	Mentoring	
Seminars		Career Management	
Workshops	Climate, culture surveys	Tuition assistance	
Courses	Individual/Group Change	Job rotation	
Locations		Mentoring	
Off the job	Talent development	Coaching	
On the job	Performance management	MBOs	
Approaches	Structural Redesign		
Self-study	Task redesign		
One-on-one	Job redesign		
Group	Workflow redesign		
Methods			
Discovery			
Presentation			
Discussion			
Role play			
Simulation			

Figure 2.4 Structured On-the-Job Training as a System

HRD PROGRAM

Viewing HRD programs as systems has value for both design and improvement of the program later on. In terms of design, HRD programs are the direct result from using the HRD process. In other words, the HRD process is the means by which HRD programs come into existence. Thus, the effectiveness of any planned HRD program in achieving its intended goals says much about the process used to develop the HRD program in the first place. In terms of improvement, viewing HRD programs as systems allows for all the variables to be accounted for, once the program has been implemented. This perspective helps make explicit variables that might not be apparent otherwise. For instance, the effectiveness of a goal-setting activity might be dependent, in part, upon the skill of the HRD professional as facilitator, which is clearly visible.

HRD PROGRAM

However, the effectiveness of the activity might be affected by less readily apparent variables, such as those identified as inputs. Are the right people involved in the process? What are the expectations of the group upon entering the process? Is the need for a goal-setting activity a shared concern in the first place? In sum, viewing HRD programs as systems often allows professionals to see the critical variables that can't be readily seen, but are critical for the success of the HRD program nevertheless.

MANAGEMENT OF HRD

Finally, system theory contributes to the HRD field through an understanding about the management of HRD processes and HRD programs. In a practical sense, system management for HRD involves the development of a functional mission statement that aligns with the broader organization, the specification of HRD activities that are consistent with the function mission, the selection of HRD staff and responsibilities consistent with the function mission, and the allocation of resources and budgets to support the implementation of the activities. HRD practice invariably constitutes the management of temporary projects. Project management, which has emerged as a distinct area of professional practice, focuses on the system theory–based notions of planning, organizing, motivating, and controlling of resources to achieve specific goals.

MANAGEMENT OF HRD

The management of HRD also includes the consulting process used by HRD professionals to engage with others to achieve mutually agreed-on goals. Schein (1998) introduced three differing approaches to consulting relevant to HRD practice: product, prescriptive, and process. Process consultation, which focuses on client learning and engagement with the consulting process, usually provides the most desirable model for a helping relationship among HRD professionals. Achieving this relationship between the consultant and the client requires an understanding of human dynamics, roles, system states, stakeholders, and the setting of goals, among other issues.

MANAGEMENT OF HRD

Within the HRD literature, performance consulting describes the overall focus of the consultant and the client during the process, that is, to accomplish the strategic outcome of optimizing the workplace in support of the business goal (Robinson & Robinson, 1995). Jacobs and Kim (2011) defined performance consulting as an approach to working with clients that emphasizes the use of a system approach for understanding and solving human performance problems in organizations. Jacobs and Kim also identified the performance consulting process as having the following phases:

MANAGEMENT OF HRD

Phase 1. Pre-Entry and Self-Reflection

Phase 2. Entry and Client Contracting

Phase 3. Performance Analysis and Action Planning

Phase 4. Design and Implement Solution

Phase 5. Evaluate and Revise

Phase 6. Project Close

Phase 7. Project Learning

MANAGEMENT OF HRD

The performance consulting process places particular importance on making use of the fundamental notions of behavior, performance, need, performance problem, potential causes, and likely HRD solutions. The logic among these terms might be understood as follows:

MANAGEMENT OF HRD

• Behavior refers to all the types of actions by individuals and groups used to carry out the work.

• Performance refers to the outcomes that result when engaging in the behaviors.

• Need is a description of the gap between two levels of performance outcomes.

• Performance problem, the core construct, is when the gap as expressed by the current or actual level is compared with the desired level, and closing this gap is determined to have value to the organization.

• Causes are the reasons why the gap exists.

• HRD solutions are the ways in which the causes will be addressed and, hopefully, the gap between the actual and desired will be closed or made less impactful on the organization.
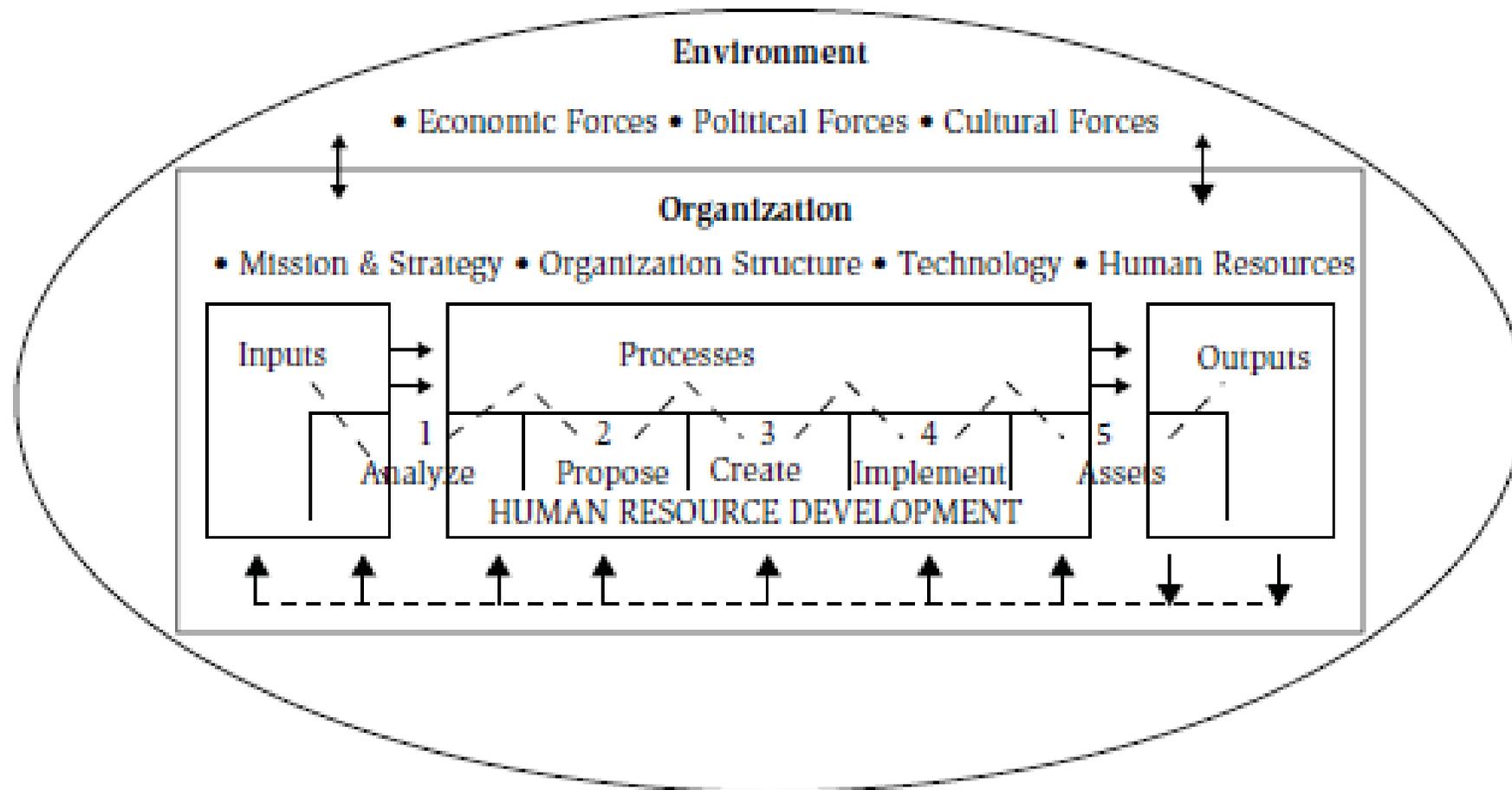
Figure 2.6 Human Resource Development as a Process Within Organizations

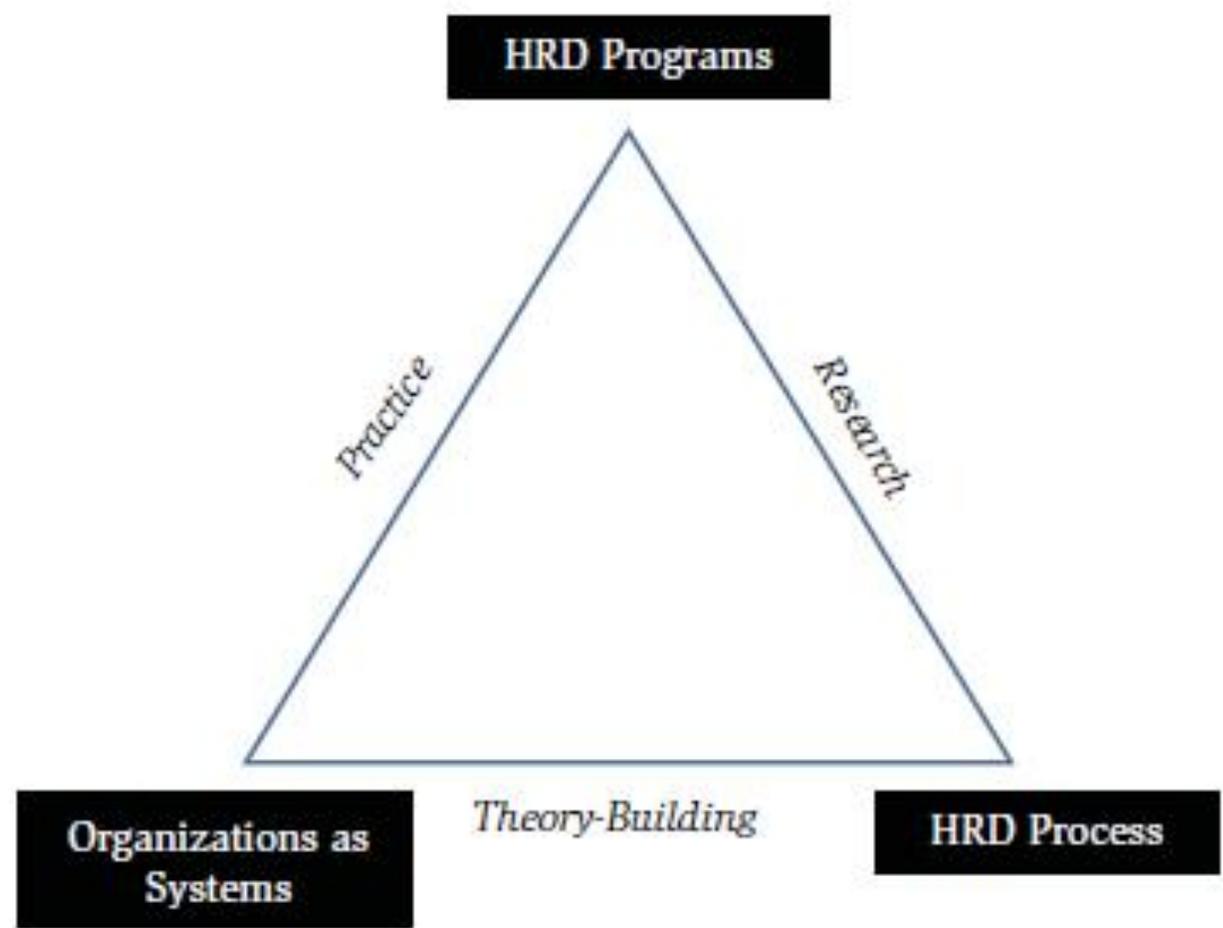From Swanson, 2001. Used with permission.

Figure 2.7 Three Major Concepts of HRD

Table 2.2 The Nine Performance Variables

Levels of Performance	Performance Needs		
	Goals	Design	Management
Organization	Organization Mission and Goals	Organization Design	Organization Management
Process	Process Goals	Process Design	Process Management
Job	Job Expectations	Job Design	Job Management

Based on Rummler and Brache, 2012.

The end