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HUMAN RESOURCES MANAGEMENT MODERN THEORY AND VISION 2030

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ABSTRACT

The historic account of ideas establishment about human resources and modern theory or practice is related to the need of effective and efficient human resources formation that comprises of different approaches from human's labor development history to effectiveness assessment of their activities. Organizations occur to accomplish goals or objectives that individuals cannot do alone and there is a teamwork, skills, techniques and strategies are needed to perform those goals or objectives. This means that people need to work together towards organizational outcomes in order to be productive and perform well. In return, they recognize, compensate, rewarded and punish accordingly. With regards to 'talent deployment', Emirates appears to be in need to quicken its performance through the arrangement of labor productivity progression along with development in employment. Precisely, by conveying a larger proportion of the Emirates population within the fold of the labor market and increasing their productivity through the placement of training schemes and latest technology, Emirates will have the required and necessary human capital base to achieve the objectives of Vision 2030. This paper is aiming to conceptually discuss modern theories explaining work environment and human resource modernization. This paper will incorporate both classical and contemporary critical debates about the nature of the employment relationship and modern pattern of organization and employee relationship. This paper will enable a deeper understanding / vision of the nature of human resource knowledge and its uncertain nature in the social sciences.

KEYWORDS: *Human resource, modern theories and developments, vision 2030.*

I. INTRODUCTION

The world is changing fast, and that comprises the world of human resources. From rapid advances in technology to the transformation of the modern workplace, it's enough to make your head spin.

"Economic success crucially relies on human capital – the knowledge, skills, competencies and attributes that allow people to contribute to their personal and social well-being, as well as that of their countries." (OECD, 2007).

II. UNDERSTANDING OF THE ESSENTIAL THEORIES

The essential of human resource theories with the organizing framework, a model of strategic HRM advanced by Boxall and Purcell in their book Strategy and human resource management

(Palgrave Macmillan, third edition, 2011) (Coyle-Shapiro et al., 2013). They conceptualize workforce performance as a function of capabilities (the knowledge, skills and aptitudes which employees need to carry out their work), motivation (the incentives which employees require to encourage them to perform to the best of their abilities) and work organization (the way that work and organizations are structured so as to allow employees to perform well). To this we add employment relations (the policies, programmes and practices which govern the relationship between employees and employers) on the basis that employee relationship management is a key responsibility of the HRM function (Coyle-Shapiro et al., 2013). (Refer to Figure 1).



Figure 1: Organizing Framework

Source: Coyle-Shapiro et al., (2013)

III. MODERN MODELS AND PRACTICES OF HUMAN RESOURCE MANAGEMENT

The typical organization in the era of Industrial Revolution was Adam Smith's pin factory with a simple structure (Kaplan & Norton, 2006; Feldberger, 2008). Furthermore the Second Industrial Revolution in the middle of the nineteenth century affected much more difficult and capital demanding industries). Though, it was still a federal serviceable organization, which included production and sales as the largest departments (Kaplan & Norton, 2006).

Managing human resource, was getting to a superior degree of significance. The theories of individual was initiated which were debating the individual administration. For example theories discussing accounting related to employees were discussed. In the same era employees were considered as assets for organizations (Paton, 1962; Feldberger, 2008). Authors such as Likert, (1961) come up with testing organizational employees psychologies and employees are valuable organizational resources (Flamholtz, Bullen, & Hua, 2002).

The Nobel price winners' Schultz and Becker also transcribed in that period of time their first works about Human Capital and published a theory, that investment in employee's education is related to investments in equipment and would be controlled like this (Becker, 1964 & Schultz, 1961).

Furthermore there are authors such as Hermanson, (1964), introduced "a model to measure human resource value in external financial reports" (Flamholtz, et al., 2002). Kaplan and Norton, (2006) also discussed the economic situations and ground realities in dealing senior executives in multinationals are exceptional managers and could use their expert knowledge and knowledge or skills to create more value addition. This could ultimately benefit business environments and labour oriented strategies. In the same era companies started investing in talent, knowledge and employees skills.

In 1967 researchers and academicians made first steps to improve measurement methods of human resources (Flamholtz, et al., 2002). However, Flamholtz (1976) introduce the theory and measurement of an individual's value to an organization (Theeke, 2005).

Human resources have been conventionally perceived as "consumption" rather than "capital" by economists, and as "expenses" rather than "assets" by accountants, these treatments are the consequence of conventional limitations of

the theory of an asset, and not because of the real nature and timing of benefits that outcome. The important standard for defining whether a cost is an "asset" or an "expense" relates to the view of future service potential (Brummet, et al., 1968; Feldberger, 2008).

According to them human resource costs should be handled as expenses in the phases in which benefits result and 'if these benefits relate to a future time period they should be treated as assets' (Brummet, et al., 1968).

In the 70's many human development efforts were made and first trade organizations used human capital theory. But tapping people on the balance sheet was controversial (Flamholtz, et al., 2002).

In 1980's there was a diminishing interest in human resource management. Main reason was that basic research about human resource management and other theories had been accomplished. Now the task was how to perform the cross examination was complex and required organizations to do the applied research study. As the cost which was incurred was very high and benefits were unknown. Therefore only few human development research reports were published (Feldberger, 2008).

On the other hand in 1992 there was financial and non-financial aspects of employees using Balance Scorecard was introduced. Robert S. Kaplan and David P. Norton started publicizing the theory about Balanced Scorecard through a sequence of journal articles (Olive & Sjöstrand, 2006). Basically it was a performance metric used in strategic management to classify and develop numerous internal functions of a business and their resulting external outcomes. It is used to measure, analyses, control and improve provide feedback to organizations (Northcott & Ma'amora Taulapapa, 2012).

Human Capital Management developed to a prominent research topic since strong international competitiveness and changing patterns of human resource related activities emerged. The knowledge of the value of Human Capital is a drive to launch new measures that can be employed to document and state the value attributable to Human Capital within a company (Seetharaman, et al., 2004).

Today organizations have several strategies and methods when it comes to implementation, utilization and benefit to employees. There are authors like Khan, (2016) and Ismail, Asillam, & Zin, (2014) who introduce the Islamic perspective

to human resource management. Moreover, (Burma, 2014; Hamid & Osman-Gani, 2011; Nabi, Syduzzaman, & Munir, 2016; Naveed & Naeem, 2013; Rimmel, 2017), debated the

latest evaluation to employees in term of their talent, skills, attitude and working conditions. Given below table is showing systematic human resource literature.

Table 1
Systematic Human Resource Literature Review Table

Authors	Summary of Contributions
Adam Smith (1776)	He pointed out the importance and advantages of the division of labor where the production process was broken down into series of small tasks and each performed by a different worker.
Robert Owen (1771-1858)	industrial revolution
Charles Babbage (1791-1871)	
Frederick Winslow Taylor (1856–1915).	Scientific management (1911) -Mass production -Interchangeable parts -Division of labor This helped to achieve wide tasks in industry.
Elton Mayo (1920)	Human relations movement (1920-60) on production output. Productivity depends not only on the physical environment but also on social norms and personal feelings (i.e. Western Electric's Hawthorne plant). A psychologist focusing on human factor in work-tiredness and motivation.
Harris 1915-inventory model, 1960-70's	Decision models
Charles babbage (1832)	He promoted an economic analysis of work and pay on the basis of skill requirement. Specialization jobs and division of labor began to take place in 1832 onwards.
Charles Samuel Myers (1921)	He was inspired by unexpected problems among soldiers which had alarmed generals and politicians in the First World War of 1914-1918, co-founded the National Institute of Industrial Psychology (NIIP) in 1921. In doing so, he set seeds for the human relations movement.
Elton Mayo (1880-1949)	They referred to stimuli, unrelated to financial compensation and working conditions, could yield more productive workers.
Hawthorne studies (1924–1932)	
Abraham Maslow (1908–1970),	They forming the basis for studies in industrial and organizational psychology, organizational behavior and organizational theory, was interpreted in such a manner as to further claims of legitimacy for an applied discipline for employees.
Kurt Lewin (1890–1947),	
Max Weber (1864–1920),	
Frederick Herzberg (1923–2000),	
David McClelland (1917–1998)	
Cornell University School of Industrial and Labor Relations (1945)	Likewise in the United States, the world's first institution of higher education dedicated to workplace studies. The School of Industrial and Labor Relations formed at Cornell University in 1945.
the Society for Human Resource Management (SHRM) (1948)	In 1948 what would later become the largest professional HR association—the Society for Human Resource Management (SHRM)—formed as the American Society for Personnel Administration (ASPA).
Pipko, Simona (2002) & Hale, Henry E. (2014), Joseph Vissarionovich Stalin (1953) Cappelli, Peter, (2015)	In the Soviet Union, meanwhile, Stalin's use of patronage exercised through the "HR Department" equivalent in the Bolshevik Party, its Orgburo, demonstrated the effectiveness and influence of human-resource policies and practices.
Armstrong, Michael (2006)	During the latter half of the 20th century, union membership declined significantly, while workforce management continued to expand its influence within organizations. In the USA, the phrase "industrial and labor relations" came into use to refer specifically to issues concerning collective representation, and many companies began referring to the proto-HR profession as "personnel administration". Many current HR practices originated with the needs of companies in the 1950s to develop and retain talent.
	"Human capital management" (HCM) is sometimes used synonymously with "HR", although "human capital" typically refers to a more narrow view of human resources; i.e., the knowledge the individuals embody and can contribute to an organization. Likewise, other terms sometimes used to describe the field include "organizational management", "manpower management", "talent management", "personnel management", and simply "people management".

IV. MODERN HUMAN RESOURCE THEORIES IMPORTANCE AND VALUE

Scholz et al (2007) drew five different approaches to human resource measurement.

A. The cost approach

The cost approach can trace its origins to the cost of production method of Engel (1883), who estimated the value of human capital using child rearing costs borne by parents.

However, as Dagum and Slotte (2000) stress, this approach should not be construed as an estimation of individual human capital, as it is merely a summation of historical costs which ignores the time value of money and the social costs that are invested in people. Under the cost-based approach, intangible investments are the costs associated with enhancing the quality or productivity of labour (McCracken, McIvor, Treacy, & Wall, 2017).

B. The market value approach

Approaches which focus on the market value of the firm try to assess human capital by drawing on the organization's market value, book value and number of employees. The book value of the firm is compared with its market value in order to measure intangible assets. However, as Scholz et al (2007, p4) highlight, 'Early approximations like the difference between current market value and book value or the relation between market value and book value (for example, Stewart 1997, pp224–5) turned out to be too rough estimations. Moreover, changes in the market value of the firm may be caused by other factors. Therefore, the market approach is best combined with other performance indicators (McCracken et al., 2017).

C. The accounting approach

The accounting method measures the organization's investment in employees according to five key parameters: recruiting, acquisition, formal training and familiarization, informal training and informal familiarization, and experience and development. This model suggests that instead of charging the costs to the income statement, it should be capitalized in the balance sheet (Hermanson 1963, Chen and Lin 2004). However, implementing such a model has proved difficult, as it requires standardization of measurement practices among organizations and raises complex issues surrounding depreciation in the balance sheet (Scholz et al 2007; McCracken, McIvor, Treacy, & Wall, 2017).

D. The value-added approach

The value-added approach tries to link the value added by employees to human capital. For example, this may involve measuring sales per employee (employee productivity) or profit per employee. However, a limitation of this approach is that the indicators are often linked to sales performance or profitability performance and hence lack a detailed picture of the impact of human capital on different indicators. For example, how does human capital impact innovation outputs rather than sales outputs (McCracken et al., 2017).

E. The human resource indicator approach.

Approaches which focus on human resource indicators attempt to specify the human resource forces that are driving corporate success. This results in a number of key performance indicators and performance drivers, such as annual training hours or the degree of variable payment (for example, Becker et al 2001), which are able to leverage human resource management efforts. Human capital management in this approach is seen as the description, combination and regulation of key performance indicators. This approach connects human capital performance with the company value. If excellent HC management increases corporate performance, it should be possible to identify the directly induced influences on the corporate value (for example, Fitz-Enz, 2000) (McCracken et al., 2017).

V. MODERNIZATION IN INTERNATIONAL ECONOMICS AND ISSUES OF HUMAN DEVELOPMENT

However, organization becomes unstable and it needs some adverse selection that weakens the effect of positive selection. The adverse selection increases the structural integrity and system stability, though at the same time it weakens the functional effectiveness. The selection focus from which the organization's activity depends on is relatively stable in the invariable environment and in the rapidly changing

environment, vice versa, selection is occurring according to clients' requirements satisfaction.

VI. HUMAN RESOURCE INNOVATIVE MODEL

An innovative model considers the entire set of innovations as rationally planned, deliberately caused and controlled process. Organization is an artificial, rationally designed system that is constantly recon structuring under the new challenges. Manager's role is extremely high in personnel management. He is a creature that specifies the properties of the future organization (manager-Hero). Exogenous version of innovative models Ansoff (1962), Argyris (1965); Duncan (1972) considers the source of the organization formation in the environment objective changes (competition or cooperation with other organizations). There are objective factors, such as technologies changes, market changes, personnel activities control that influence the organization survival. Exogenous innovative model (Blau & Hamans, 1964) determines the organization resource dependencies, when the problem of managerial work lies in the rational, passive adaptation to the environment (diversification, mergers with other organizations, and the involvement of staff in the interim coalition).

VII. KEY AREAS, A MODERN HUMAN RESOURCE MANAGEMENT SYSTEM

The key areas, a modern human resource management system, according to authors such as (Abdullah, 2009; Hamid & Osman-Gani, 2011; Ismail, Asillam, & Zin, 2014; Nabi et al., 2016), include:

- 1) Labor productivity.
- 2) Human capital.
- 3) Working conditions.
- 4) Designing work processes.
- 5) Labour assessment.
- 6) Staff planning.
- 7) Selection, training and certification of personnel.
- 8) Motivation and encouragement of staff.
- 9) Income and wages generation.
- 10) Relationships in a group of employees.
- 11) Personnel promotion.
- 12) Personnel controlling.
- 13) Organization and improvement of personnel.

VIII. DISCUSSION

Based on the review of concepts and issues in the modern theory of personnel management, it is proposed to highlight the following strategic directions in HR:

Depending on the establishment of the share of wages in production costs depending on the growth and Because of the high wages in the developed countries the products of many organizations are becoming uncompetitive. The division of staff into two groups is proposed: highly skilled permanent workers with social guarantees and high-wage and low-skilled seasonal workers without social guarantees and with relatively (Dadush, 2014).

Workers is a resource that is necessary to It is recognized that the only source of long-term benefits organizations in the market is the knowledge about skills of the employees and maximize their creativity, motivation and human relations, rather than copying the best practices of companies (Brondyk & Searby, 2013).

Complicated link between business and HR Depending on the organization's strategy the unified strategy for

personnel management in tune with business strategy can be applied, or a decentralized strategy, conducting a flexible staff promotion (Sharma, 2012).

Development of organizational culture: general purpose, collective values, charismatic leaders, tough position in the market, controlling employees through social the task is to achieve extraordinary results through the activities of ordinary people. The high culture of workers for such companies is the key to success (Naveed & Naeem, 2013).

IX. RECOMMENDATION

There is a need to minimize the number of management layers in hierarchy, flexible working environment, recognition, rewarding, equal opportunity and compensation to employees could bring change to organization.

As a strategic function, human resource involves the expansion of human resources related strategies, staff recruitment on the basis of the organization's mission, staffs remuneration, considering their separate contribution and the creation of harmony on the workplace by encouraging collective hard working.

The use of influence of management staff on the personnel, the promotion procedure of employee in the enterprise, the remuneration system and workplace

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X. CONCLUSION

Regardless of other things in organization employees are still most essential asset for any organization, a lot of managers haven't logically explored how and where human capital makes winning strategy execution in their firms.

However this is a significant phase for all line managers and human resource professionals (Huselid, et al., 2005). It has to be admitted that the traditional theories of strategic management as it has been realized within organizations and has been trained in the greater part of the universities does not regard human capital as a competitive advantage (Bounfour, 2000).

Human resource management and modernization is human development is changing how organization with their strategic objectives. It was long before when organization have appreciated and realized that human talent, skills, knowledge set, employee attitude and employees mind set is important for any company's success and wellbeing.

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