

THE HR MANAGER – AT THE ROOT OF THE INNOVATION PROCESSES IN THE MODERN ORGANIZATION

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Abstract

Human resources management was a philosophy of governing people based on the assumption that human resources were of decisive importance for the achievement of business success of the organisation, as well as for the development of lasting loyalty and observance of the company policy and culture by the part of employees.

The importance of human resources management was critical for the organisation survival and success; therefore the HR departments (directorates) were assigned greater and greater significance. Of course, in order to provide efficient management beneficial for the individual, society and business, the HR managers should be functional experts and capable administrators, able to secure flexible directing and support of the new management practices and innovative process in the modern organisation.

The most recent researches on the Human Resources manager's influence on the organisation proved that it was almost equally strong both on the organization policy (31 %), as well as on the combination of organization policy and corporate strategy (55%).

Key words: Human resources; HR manager; innovative processes

JEL Classification code: M12

The innovation management or the so-called management of innovations is most commonly considered an integrated and interconnected set of activities directed to the achievement or maintenance of the necessary level of the company vitality and competitive power through the mechanisms of management of innovation processes.

The targets of the innovation management are innovations and the innovation process. And its major bearers, often, as proven by practice, are the HR managers. This is particularly valid for the organizational-administrative innovations, often affecting the distribution, continuity and the innovation potential.

The innovation potential is often considered one of the most important objects of the social development and thus its connection with the human resources management

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becomes a direct one. Furthermore, its efficient implementation through the labour of the human potential in the organization influences the development of different sectors of goods and services. The scale and value of the innovation potential of the organization is defined by the presence of research, design and construction, technological organizations, trial production, social training establishments (or training programmes), availability of (trained, motivated and loyal) staff and technical resources. (Лыков et al (2012))

The link between the *Innovation management* and the *Human resources management* can be very easily traced by studying the major tasks of the first one, as, for example, planning the innovation activity of the organization (including of the formulation of the mission, definition of the strategic directions of the innovation activities and setting the particular goals in each of them). The choice of the best innovation strategy for each direction provides a direct indication for the development of the Organization's Talent Management Programme, and that by its part provides an opportunity for the rational use of everything new in the organization (in the face of its talented employees). We should also mention the need for motivation in the innovation activity through the management of human resources.

Human resources management is a philosophy for the management of people based on the thesis that the human resources are resources of decisive significance for the achievement of business success by the organization.

The efficient staff underlies every successful business and is a guarantee for a future success. So for a company to be successful and competitive it should have properly and well selected loyal professionals. In other words the efficient management of human resources influences positively the general development of the company – increase of productivity, improvement of quality of life in the company, etc. Therefore every company needs HR specialists who will be able to implement an efficient system of recruitment, adaptation and development of its professionals.

In terms of history the *human resource management* is a result from the long-year efforts of researchers in fields such as management, organizational behaviour, social sciences and synthesis of various theses, conceptions and theories. (Price (2004)) A strong influence on the modern American point of view on the *human resource management* is exercised by two models developed in the academic circles of the American higher schools.

In year 1984 Fombrun and his colleagues expressed an opinion that *the systems for the management of the human resources*, as well as the organizational structure should be managed in accordance with the strategy of the organization. The same year Beer and his colleagues shared that the *human resource management* is a long-term approach to management of people and that people are potential assets of the organizations, not resources for which expenses are incurred.

This point of view becomes known as “Harvard Model of Human Resource management”. A specificity of its is that the human resource management is a function which is inherent to all the managers, not only to the personnel specialists.

According to Price the modern views of the human resource management are presented in four different ways: (<http://www.novavizia.com/2749.html>)

As a radically new approach to people management, which as opposed to staff management is proactive and stakes on people in the organization as a powerful means for the achievement of important business results;

As an integrated approach to management, which combines all the possible means of management, incl. the human resource management into a common frame subordinated to the achievement of the business goals;

As one of the approaches to people management, which appreciates people as a resource of decisive significance for the achievement of business goals and within this sense focusing all the management systems (recruitment, training, assessment, remuneration) onto employees' aptitudes and involvement;

As one of the managerial functions, meaning that human resource management is a part of every manager's job.

We shall agree that the functions of influence on human resources in the organization should be inbred in every manager, but in our opinion the HR manager is distinguished by some specific functions (particularly with regard to the innovation processes in the organization) that shall be studied further in this article.

In Bulgarian management practice the HR management has undergone certain changes, as follows: (www.hrcafe.eu/bg (<http://discoverybg.muffty.org/pdf/humanresources.pdf>))

1. year 1944 – “Personnel” department
2. year 1955 – Personnel manager
3. year 1965 – Human relations manager
4. year 1975 – Human resource manager
5. year 1990 – two trends: forecast and strategy
6. year 1994 – highly varied functions of the HR managers.

Nowadays the title of “Human Resource” Manager of HR manager is clear and well known including to the general public, and “Personnel” Management, “Staff” Management and “Human resource” Management are used as synonyms.

The typical activities of the HR sectors are multifold, but we shall focus our attention on those aiming at solving the company strategic problems and looking for new functions. Some of them are:

Involvement of the HR managers in work groups engaged with the business development;

The consultations by the part of the HR managers and specialists in the field of design and development of new products and services;

Analysis of the influence on the quality of management of labour force in the field of innovations and of the time required for market launching of new products.

Even based only on this small part of the types of activities typical for the HR sectors, it becomes clear that the significance of the *HR management* is critical for the organization survival and success. That's why the HR departments (directorates) are becoming more and more important. Of course, in order to provide efficient management beneficial for the individual, society and business, the HR managers should be functional experts and capable administrators, able to flexibly guide and support the new managerial practices.

The understanding of the key role of the human resource of the organization as a guarantee for its competitive power is traditionally related to the analysis of the reasons

substantiating the need for the development and implementation of innovations in the HR management.

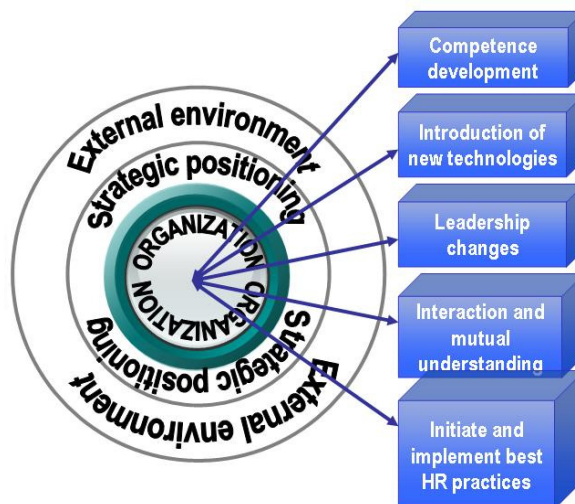
In other words in modern management it could be confidently spoken of *personnel innovations* or *novelties in HR management* (called also *innovation personnel management*). This type of innovation is considered a subsystem of the overall system of management innovations within the organization. Therefore the concepts "personnel innovation" and "managerial innovation" are closely related. The latter is related to every organized decision, system, procedure or method of management, all being significantly different from the past practice and used for the first time in the organization. It also should be taken into consideration that the innovation is related to the practice of management in every particular organization.

The modern purpose of innovation in the field of human resources is most commonly related to the implementation of the following objectives: (Кудрявцева et al (2013)

- 1) improvement of the productivity of work;
- 2) efficient training and development of staff;
- 3) improvement of the occupational relationships and establishment of a creative environment;
- 4) improvement of the quality of life;
- 5) stimulation of constructive ideas;
- 6) liberation of managers from the routine management functions, better utilisation of people's skills and capabilities;
- 7) staff's increased sensitivity and adaptation to innovations.

In response to these challenges, the changes of the notions of the essence of innovations in personnel managements are accompanied by changes of the notion of the roles of the HR management sectors in the organization. The new functions of the HR sectors and HR management discussed throughout the recent years in the works of D. Ulrich find their final configuration in conformity with the common understanding of strategic tasks of modern HR management (Figure 1). (Ulrich (1997)

Figure 1. New roles of the HR management sectors in the modern organization



Currently there is no clear approach to classification of innovations in HR management. One of the few classifications focuses attention onto several basic innovation areas: (Кудрявцева et al (2013)

1. *Innovation-educational management* – innovations in professional training at higher schools, colleges and other educational establishments;

2. *Innovation-personnel marketing* – formation of new and efficient staff potential;

3. *Innovation-technological personnel management* – new methods of work with the staff in the course of introduction of new technologies and professional activities, certification and attestation of the staff, new allocation of functions and powers within the current staff structure, innovations in the forms and methods of training for re-qualification and improvement of qualification of the staff, methods for employees stimulating and shifting, improvement of work with talented cadres of the organization.

The classification of largest distribution is that of the innovative personnel technologies based on the staff processes:

Technologies of staff selection and recruitment (personnel marketing, case-interviewing, testing, head hunting, competence-interviews, e-recruiting, etc.);

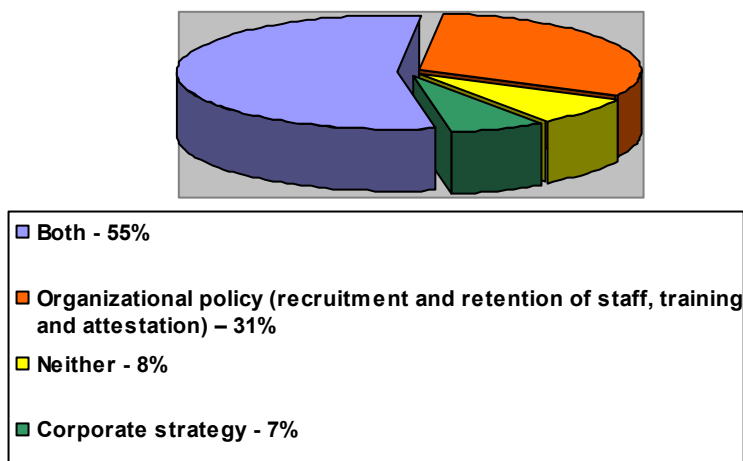
Technologies of assessment and attestation of staff (Assessment centre, 360 degree method, coaching, etc.);

Technologies of staff dismissal (personnel leasing, outsourcing, outstaffing, etc.);

Technologies of ongoing activities and work with staff (staff grading, stress management, conflict management, etc.)

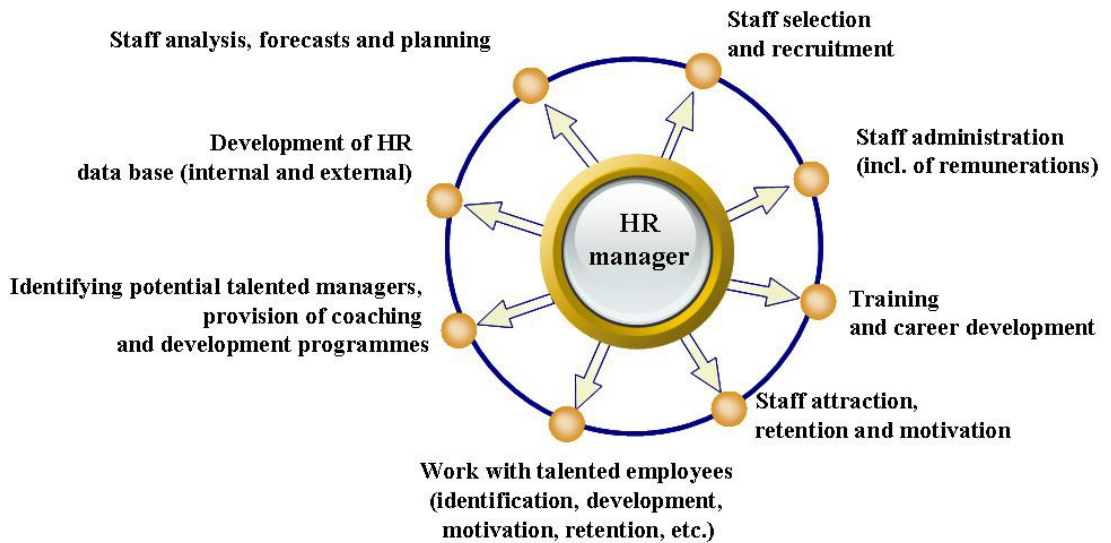
In the light of the representations hereinabove it should not be surprising that according to the most recent researches on the HR manager influence in the organization it is equally strong with regard to the organizational policy alone (31%), as well as with regard to the combination of the organizational policy and corporate strategy (55%). (Figure 2)

Picture 2. HR manager's influence in the organization



As it was already mentioned, the HR manager has multiple functions. Some of them remained from the first managers of “Personnel” department, others have been added in the course of the years, third – meet the requirements of nowadays. We shall try to outline graphically the most important of them related to the innovation processes in the modern organization

Figure 3. HR manager’s functions



The analysis, planning and forecasting of staff is one of the exceptionally important functions of the HR manager in which the innovative personnel technologies are inevitably used. The researches to that regard describe the current and forecasted condition of human resources in the company, as well as the state of the human resources external for the company (the identified places of work).

The recruitment and selection processes aim at the selection of the most suitable applicants to fill in the vacant jobs as soon as possible. The high quality recruitment and the high quality development of staff guarantee the successful performance of human resources in modern organizations. The investments in human capital in the form of financing of the major areas of recruitment and development would result in an improved return on investment in the organization in the form of high quality, trained, motivated and successful staff.

This is an example of the measures for optimization of work through innovations with human resources and the degree to which they are needed by the modern organization (*Figure 4*):

Figure 4. Measures for optimization of work and introduction of innovations in the area of human resources



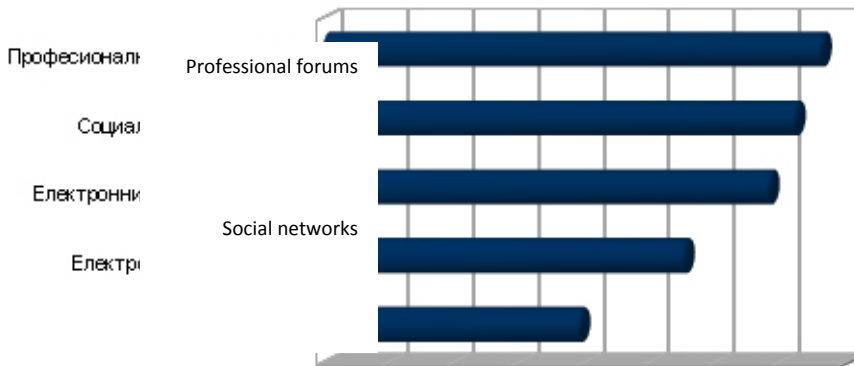
As seen in the graphics the managers still place on the first place the maintenance of the market positions, and on the last – the employment or replacement of key employees.

Regardless of that the work for training and career development done by the HR managers is very important and involves innovative personnel technologies as the analysis of policy and programmes with regard to the qualification and development of human resources. Five large subsystems are most often concerned here: (<http://discoverybg.muffty.org/pdf/humanresources.pdf>)

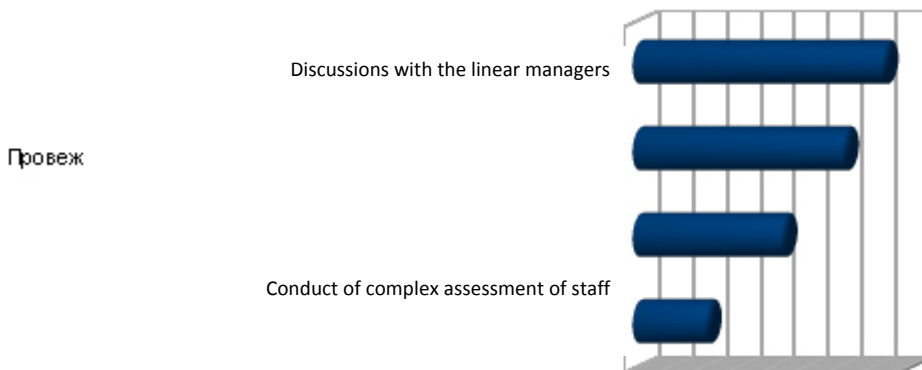
1. qualification and training
2. pay and financial stimuli
3. possibilities of development and career
4. assessment of performance
5. internal communication.

The processes related to training and development have a significant influence on staff's performance and motivation, they affect the retention and involvement of employees. Training is in charge of the introduction into the company and of the development of the competences required for doing the particular job. That's why it is of extreme importance for the HR managers to use all the innovations available in the area.

In fact the research referred to hereinabove brought interesting data with regard to the training and professional qualifications of the managers themselves through one of the most popular innovations – the Internet. It turned out that the modern HR specialists are intensively communicating and exchanging experience with their colleagues online in professional forums and social networks, using electronic magazines, books and blogs (Figure 5).

Figure 5. Using the Internet communications by the part of the HR managers

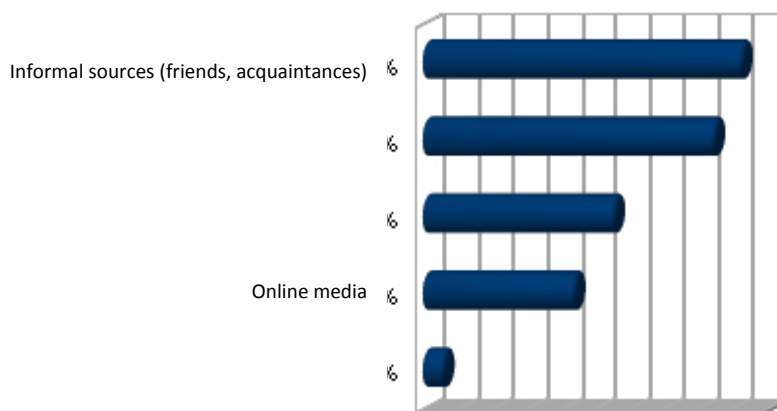
Furthermore the HR specialists use the computer technologies and information systems to create a database called “information system of human resources” that makes the management more efficient. Apart from the in-house database, there could be external databases, too, having to do with their work. With regard to the information sources the modern managers place at the foreground the discussions with the linear managers followed closely by the conduct of a complex assessment of staff, the questionnaires completed by the employees and last, the outside suppliers. This is easy to understand as the preparation of a HR development strategy requires detailed internal information. The respondents state that they do not have sufficient internal information available, which is a consequence from the imposed approach of searching the information “from the upside-down”, at the expense of the differing model that relies on the more valuable information but in the direction “from down to the upside” (Figure 6).

Figure 6. Possibilities for the establishment of a “database”

On the other part among the sources of information for the competitors the HR managers rank first the informal sources – 92%, placing at almost the same level the online media 84%. This is explicable to a large extent as although the modern communication environment intensively uses online (84%) and printed (55%) media and social networks,

the personal opinion and recommendations by the part of colleagues and partners is much more valuable and significant for the professional development (*Figure 7*).

Figure 7. Information sources



This way the Internet has become one of the most important instruments in the professional life of the HR managers and they themselves appreciate very highly the benefits of the net in making professional contacts, as well as in finding potential professionals for their organizations. The majority share that the Internet is the leading source of data for their awareness with regard to the market and projects.

The “Staff Administration” function involves the manager in the employment legal relations with employees, the occupational environment, the legal issues and the whole system of documents concerning the labour tasks. This function covers also the area of remuneration and extra benefits. It concerns the development of a unified structure of base salaries, schemes of short- and long-term extra stimulation, bonus schemes and systems, extra benefits system, conduct of comparisons of the salaries with the market level and search for solutions for the achievement of adequacy to the labour market. This area includes also the search for information of current market trends in the field of staff remuneration and stimulation. The HR manager’s task is to observe that these processes are in conformity with the legislation currently in force and to design as principles such new remuneration systems that will contribute to the achievement of the company business objectives, fairly reflect the contribution of people to the company and satisfy them.

An important modern function of the HR manager is the *Work with talented employees*, (Ушлева (2010) comprised of identification, development, motivation, retention, etc.). Here the use of innovations in the area shall contribute not only to the identification of talents and their retention into the organization but will also secure loyalty. Here the innovative personnel technologies can be used to the fullest through understanding the new trends in the development of the labour market and the use of new approaches in management of the “new staff” – the employees whose features meet the major social-cultural trends of the age by providing coaching and programmes of development and mentorship.

In our opinion one of the most important functions of the HR manager is the *identification of potential talented leaders*. (Ушева (2010) The HR manager should be prepared to become a consultant of the leader, i.e. should have the required competences and habits of managerial consulting. In other words this is the place of the technologies for the improvement of the psychological and professional competence of the leaders. The achievements of modern psychology of management convincingly prove that different styles of management should be “applied” to the different employees. Furthermore, the same person under different circumstances shall “require” different managerial influences. The recognition of this rule obliges the managers, and the HR managers first, to have a psycho-diagnostic and communication competence developed to a level that will let them reflex timely and interpret properly the psychological status of their subordinates, as well as apply the technology to purposefully change these states to the interest of the organization.

These are only few of the HR manager’s functions; therefore his/her role in the modern organization becomes more and more significant. Apart from all the functions mentioned above, he/she together with the higher management establishes the in-company policy and corporate strategy for staff management in general, imposes corporate culture and supervises the implementation of all the decisions taken with regard to the human resources of the company.

The development and application of the innovation systems of staff management in every organization serves as the most important indicator of the speed of the general innovation development of the organization. The practice shows that the innovations in the field of human resources lead to serious changes in other fields, too – in the product produced by the organization, in the process of development of relationships with key customers and partners, and even in the organization of economy in general. The knowledge and understanding of the modern trends in the development of staff management allows the organization to take an adequate position in a strongly competitive environment and to establish unique competences at all levels, guaranteeing the success and efficiency of employees in particular and of the organization in general.

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