

HUMAN RESOURCE PRACTICES IN THE EURO-MEDITERRANEAN REGION: TYPOLOGY

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Abstract:

Under the project "Agora RH", we would like to propose a framework for the analysis of Human Resource practices in the Euro-Mediterranean region. This article is theoretical; it is a reflection of the state of the art and thoughts which led to the construction of a framework for analysis, used for an empirical investigation currently being carried out in the eight countries involved in this project (France, Spain, Italy, Portugal, Morocco, Algeria, Tunisia, and Slovenia). In this article, we will attempt to define key concepts about the evolution of the HR function. We propose in a forthcoming article to expand on our work, presenting the theoretical foundations with particular emphasis on the possible cultural variables.

Keywords: human resources management, human resource function

HRM practices

Our initial outline (Silva, 2003) presents the evolution of the HR function over two decades showing the

difference between NICT and HRIS and integrating collaborative project work and the information-centered organization.

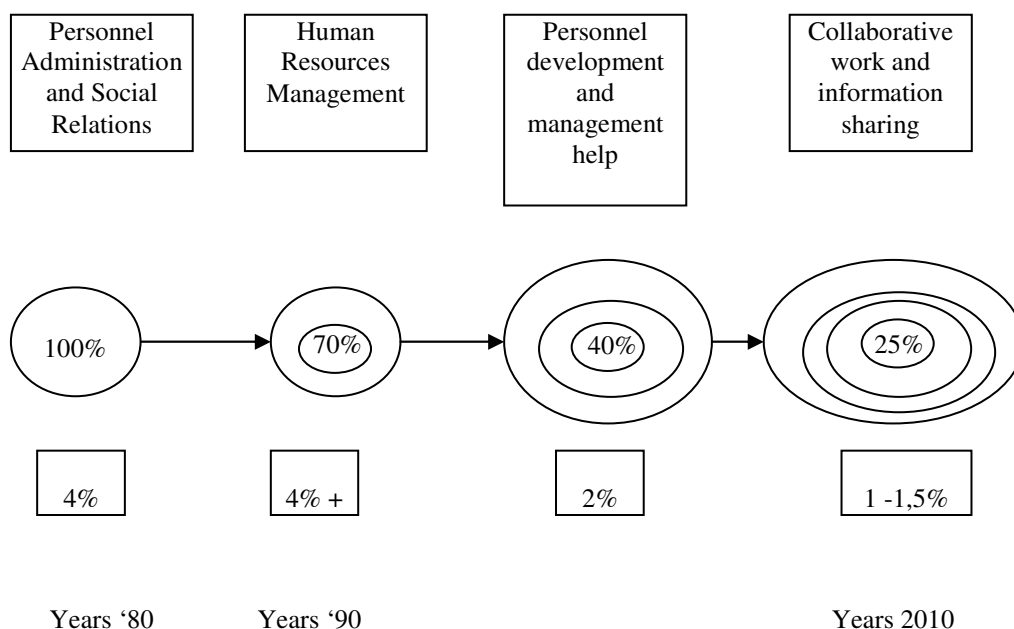


Figure 1. The evolution of human resource function

But it is based on the table below proposed by Ulrich (1996) that we began to think of a graph to represent all the roles of the Human Resources

function integrating the various authors and researchers in human resource management.

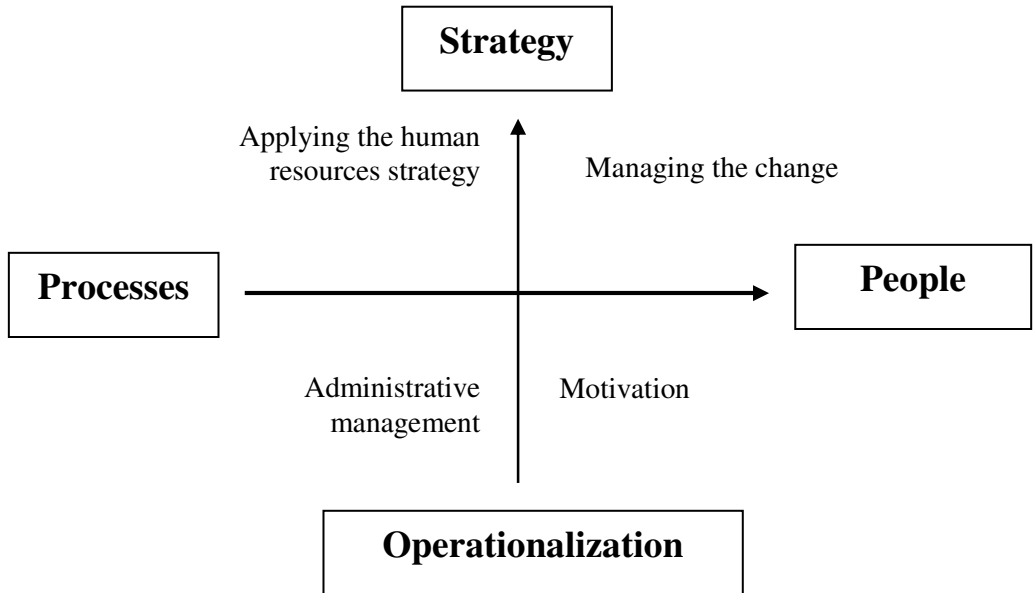


Figure 2. The role of human resource function

We would like to describe the HR function and its evolution better. We propose looking at other areas: information and the person. It is these 2 areas which structure the HR function today and enable us to understand its evolution.

The first area focuses on information

It is made up of, on the one hand, information in the form of “data”, which is used in management, administration and procedures necessary for the proper application of the rules. On the other hand, information is involved in communication and becomes richer at each stage. It is the flow of information associated with each phase with added value. That is the logic of the process in which each step is an improvement over the previous one.

The procedure/administration dimension

This dimension is based on the principle that information is structured by procedures. Indeed, the HR function is first and foremost, the ability to manage information about employees. First of all there is the payroll with all the detailed information it includes. HRM is first and foremost management. “Epistemology teaches that management can be defined primarily by its purpose, its objective: the pursuit of performance. If Human Resource Management is management, neither people nor activities have their place, what matters is the firm's performance... Thus the purpose of management of which Human Resource Management is a part is the allocation of resources” (Galambaud, 2001). The application of labor legislation is one of the reasons for the existence of the Personnel and Human Resources Departments. We

must not forget the time spent in negotiations with the social partners that represents a significant part of the activity of a Human Resources Director. Indeed, "new legislation punctuates corporate obligations and one is often tempted to say social innovation is a result of new legislation when it was originally the work of social actors". (Fombonne, 2001).

A dynamic dimension

Over the past 20 years, the HR function has increased its scope to become "a discipline that creates and applies different knowledge useful for HR players and needed to comprehend, understand, negotiate and try to solve the problems related to work regulations" (Brabet, 1993). Recognizing this trend, Julienne Brabet had proposed in the early 90s "To rethink Human Resources Management." But at the time (it is 15 years, a very long time in the light of advances in technology), authors could not have imagined the changes that these new technologies would bring about. Since then, information systems and more broadly new technologies have developed and with them a new logical organization for the company and the HR function. Fundamentally, management consists of information that is processed, stored and/or transmitted. Increasingly, for a company to be competitive, it must organize its information to reduce delivery dates. An organization's management has entered a real-time logic, whereas previously it was in procedure logic (Lorino, 1994) where time did not matter. For information to be dynamic, work needs to be reorganized in a flow logic. Management moves from procedures to processes. With new technologies, management is changing profoundly. Information is at the heart of management that must collect, treat, store and return it. (Zack, 1999) The firm needs to know how to organize this information so that employees are the

most efficient and thus satisfy customers' needs. To this end, the companies that succeed are those that constantly "create new knowledge, disseminate it widely within the organization and incorporate it rapidly in new technologies and new products" (Nonaka, 1991). These are the characteristics of "a knowledge-centered organization" (Drucker, 1994). Thus, "knowledge has become the key ingredient of value creation, even more so than capital and physical resources." (Mack, 1995). But knowledge makes sense only if the company knows how to promote its employees. In absolute terms this represents the company's ability to foresee change in technology, market needs, competition, but also to respond to the uncertainties of the business cycle or unpredictable and unexpected events. The dynamics of change in an organization corresponds to a capacity to inform and communicate at all levels: the ability to share strategic vision (worthy of the name) and by participative management convey its meaning so that employees may apply it on a daily basis. The success of a company depends on the cohesion of all its players. All of this also depends on the organization of information available thanks to the different tools and methods in the company's information system.

The second area focuses on the person

It is of an ontological nature, about the person. The other dimension of the HR function is to manage the basic needs of men and women in the organization "meaning, objectives, feedback, encouragement and help that only participative management can provide" (Igalens, 1994). Gradually the HR function has evolved "responsibility is shared between the human resources department and managers (N +1) who are called upon to play a greater role" (Peretti, 2003). And gradually all employees become "HR managers".

This area includes how to deal with a person in the work place and his/her development: on the one hand, the individual, as an entity that is specific, distinctive and different making him/her stand out from the others; and on the other hand, the collective dimension with individuals as social beings in a working community with shared values.

The individual dimension

This is the modern dimension. The difference between 'Oneself' and 'Others', identity and difference. But the issue is more complicated because modernity has resulted in self-awareness, individual identity, which is a specifically human dimension. The ultramodern individual today is "reinforcing" this individualism even more. Everyone has needs and demands that the company should take into account such as skills development, salary with the full range of direct and

indirect benefits. All these factors must be considered in a dynamic way, integrating foreseeable and/or potential developments.

The collective dimension

This is the dimension that shapes a person, like a learning melting pot for human beings (Piaget, Inhelder, 1966). A person is included in a sociological structure. Tools, methods, rules are established. Decisions regarding annual salary raises and training programs in first aid must be made for all employees; they are company decisions that apply to everyone. It is a collective dimension in which everyone fits.

The 2 mainlines and 4 developments in the HR function

These 2 mainlines are illustrated in the following graph as are the various roles of the HR function.

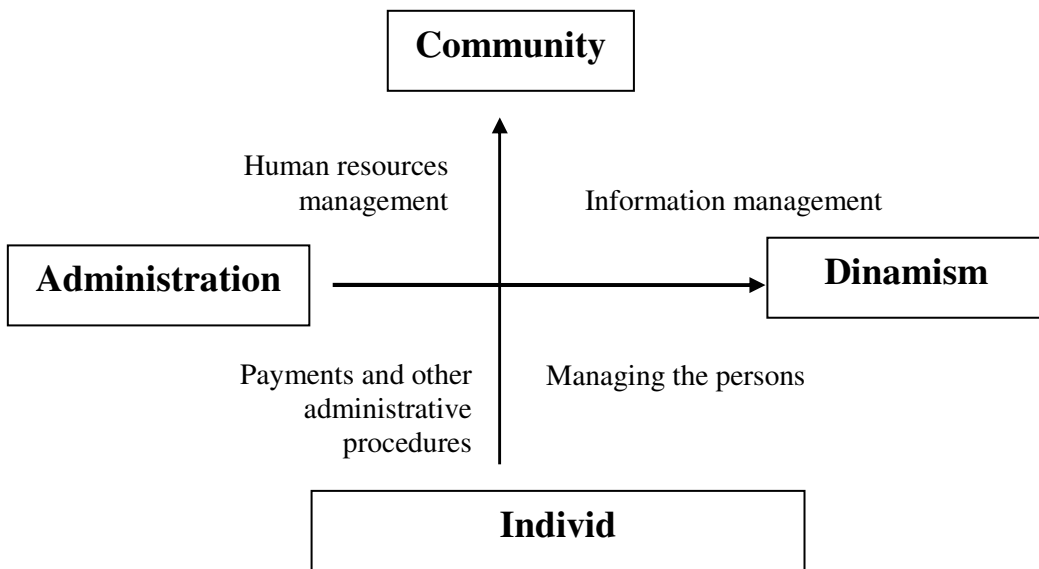


Figure 3. Diferrent roles of the HR function

In this graph we can identify the various roles of the HR function as they appeared over time:

Payroll and Personnel Administration

These represent the initial role of the HR function (Fombonne 2001,

Galambaud, 200). The aim was primarily to establish the employment contract and keep records of the employee's career path, in his/her personal file. The second objective was to establish a pay slip for each employee pay slip in a timeframe that gradually became monthly. Both goals

required, starting in the 1960s, management skills which became more and more complex in time especially with the development of social security contributions. Fortunately for payroll departments, the appearance of information technology and the development of software dedicated to payroll management automated a number of tasks resulting in increased productivity. Obviously the recruitment of employees, commonly referred to as hiring, took place using mostly physical criteria (work in the workshop was manual). A candidate's background is an aspect which should not be neglected when hiring, in order to avoid hiring an "agitator". In fact, until 1968, the unions were not recognized by companies. Labor relations were like power struggles where management kept tabs on the workers. This was one reason why many companies used to recruit former police officers or gendarmes for HR manager positions.

Human Resources Management

The end of the "Glorious thirty" corresponds to a period of change in our economies. Indeed, over the last twenty years we have seen the transformation from an industrial world where production was the main concern of the company to a society of services supported by ICTs. Up until the 1970s employees acquired their knowledge through experience. Graduates now master various software and databases allowing them to manage the symbols that make up the information. Companies had to start training programs to accommodate for this important transformation of the worker whose job has become marginal and often completely absent. Thus, Human Resources Management evolved by developing training programs to increase the level of qualification of employees to meet the sophisticated needs of businesses today. 30 years ago, more than 2/3 of employees had no qualification. Today, only 1 / 4 still

have no qualifications. With the development of continuing education, the Human Resources function has developed other roles (Peretti 1998 and 2003). Thus, hiring has become a recruitment, which aims to define the job profile by comparing the different candidates in order to find the "five-legged sheep" (the ideal candidate which cannot be found). Moreover, it was necessary to promote employees to other functions and develop a mobility policy. It was also necessary to develop communications materials to inform employees. The business world has changed and the HR function has gradually developed using a number of tools.

Managing People

The skill level has gradually increased, i.e. employees recruited today have a higher level of education than in the past. In large companies, the majority of employees are holders of 2-year university qualifications. In high-tech companies all employees are holders of at least a 2+-year university qualification. In France, the majority of these graduates has managerial status, but has no supervisory function. The dynamics of the company lies in its ability to help its employees be innovative. It is their skills that interest the company. And the crucial issue concerns the ability of the company to maintain a high level of expertise by regularly updating skills. But the company must also make sure that the best employees stay with the company by proposing attractive wage, training, and work conditions. To achieve this, individual coaching using participative management will be necessary. It is the role of HR to coordinate all this and give it coherence and develop customized services. Employee objectives have become individual as has their working time and ultimately their salary. This type of people management (Thévenet 2001-2004) contributes significantly to the motivation of employees.

Collaborative project work carried out by virtual teams and information

NICTs enable people who are physically in different places to work together, sharing, thinking, designing the same information, the same documents. This real-time exchange provides considerable time saving for many activities, primarily for design but more generally for the service functions. A lot can be done remotely and in high-tech companies, the line manager is also far removed. Thus, a manager at Cisco will have his team scattered around the world. To carry out individual coaching without causing too many problems, the role of HR manager is created to monitor people on a day to day basis, a limited number of them and answer questions on everyday issues. Another important aspect of NTIC is the availability of information. There are different types of information on: skills and knowledge development, social data about leave-taking, training and social news about the company. It needs to be regulated and organized. Indeed, too much information kills information, it is therefore necessary to sort, combine, collect upstream before it

can be used. Finally, in a context of constant evolution, the HR function focuses increasingly on organizational issues at the expense of methods and IS management. The latter are considered as being technical support. More and more, the HR function involves an individual coaching role to assist men and women in their career advancement, both on a personal and organizational level. Thus, work organization involves the development of employees' employment prospects.

Obviously, it is important know the context since a company will focus on specific assignments according to its activity. It should be reminded that payroll work is just as important as HRIS. Generally these tasks are combined. Thus, a SME, in fact a very small enterprise will focus on the administrative aspect of HRM but must also develop employees' skills and therefore offer a little HRM which requires individual coaching.

In this diagram, we can see that the HR function of a large company in thirty years will have seen a 3-stage evolution. The most recent being virtual management and information, it is still emerging.

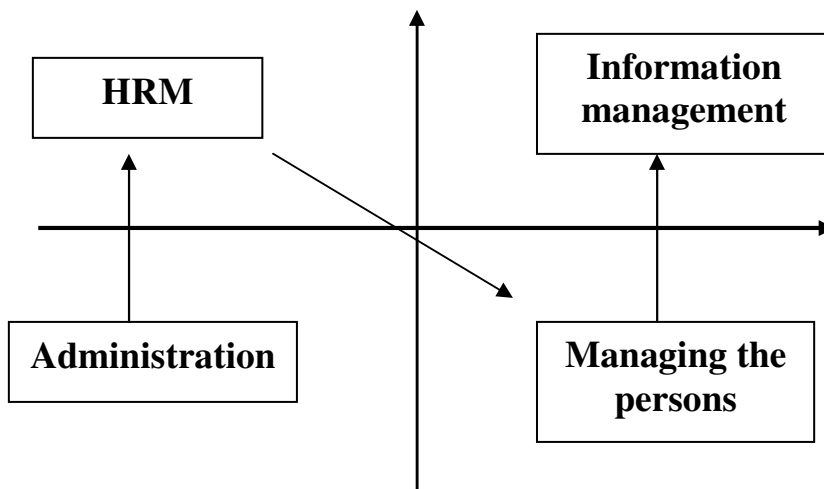


Figure 4. The evolution of HR function in a large company

Evolution of the HR function in a large company

It is important not to limit our thinking to large companies but to look at SMEs and government agencies as well. It is also important to see if this pattern occurs in other countries. For SMEs, the smaller their size, the more the HR function is reduced to an administrative role. The development strategy that this type of company must put in place, perhaps with the help of consular agencies, involves professionals who assist employees in skills and career development, offering specialized HR websites, skills assessments or training, for example. In government agencies, such as the civil service or hospitals, HRM policies were introduced, thanks to agreements signed in the 1980s to improve employees' skills. Important training

program policies were developed. Gender mainstreaming is taken into consideration in payroll and mobility matters. The real challenge today lies in the establishment of participative management and the accountability of team members, the definition of objectives and the capacity to approve or disapprove results. This means the establishment of an individualized pay structure, individualized skills and individualized mobility. One must also consider the Maghreb countries and the companies in the grey economy which do not declare their employees, and which are not themselves officially declared. The real breakthrough for employees lies in the possession of a pay slip giving social security contributions and ensuring welfare cover.

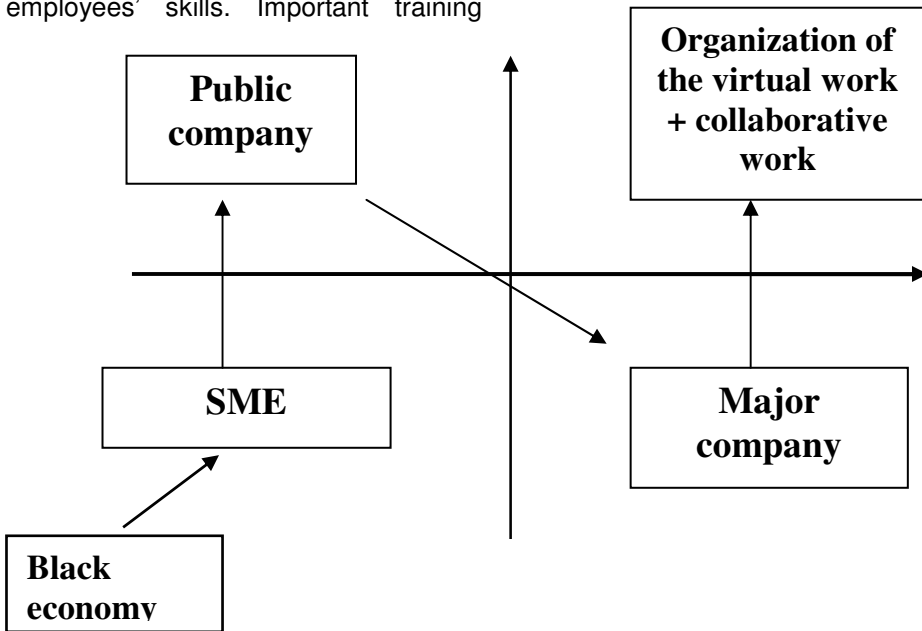


Figure 5. HR function in different companies

Conclusion

As we announced in the introduction, this general framework for Human Resources Management analysis is the starting point of an international survey in eight countries.

We would like to make a contribution both on an academic and an operational level. Questioning HRM styles and practices may indeed be useful for the management science researcher but also for the practitioner. This is the reason for our research.

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