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Contextual Influences on Human Resources Development: Considerations and Evaluations on the Various External and Internal Factors that Shape and Influence HRD in Organisations

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CONTEXTUAL INFLUENCES ON HUMAN RESOURCES DEVELOPMENT: CONSIDERATIONS AND EVALUATIONS ON THE VARIOUS EXTERNAL AND INTERNAL FACTORS THAT SHAPE AND INFLUENCE HRD IN ORGANISATIONS

Charles Alves de Castro[1]

ABSTRACT

This article aims to briefly understand and evaluate the main external and internal factors that impact directly on human resources development area within the organisations, mainly related to multinational companies. Also, it discusses the various aspects and influences on HRD - (Human Resources Development) such as societal, organisational/local, global, that impacts on costs, environment, regulations, policies, culture, beliefs, technology and values. This research was carried out by way of a literature review. This is important to demonstrate, explain and evaluate the current existent literature about this specific theme covered in this article. Furthermore, through this review we compared previous research on HRD. In conclusion, there is a discussion on the HRD´s importance for companies and professionals, as well as recommendations for companies` concerns. Overall, HRD professionals should be flexible to adapt to external trends, change at the right step and develop the competencies required by their organisations.

KEY-WORDS: Human Resources Development. External and Internal Factors. Organisations.

INTRODUCTION

This article aims to critically investigate and evaluate the main external and internal factors that shape and influence HRD – Human Resources Development in

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organisations. In addition, within this topic, the author analysed the contextual implications for HRD policy choices. To evidence this research was used as a secondary data source, as follows: articles, reports, journals, case studies and books in order to gain a broad understanding in this specific field.

According with Garavan (1991) HRD is the strategic management of training, development and management/professional education intervention, thus in order to achieve the final objectives and goals of the organization, HRD ensures a full utilization of the organisation`s capital intellectual and also employees` competences. Therefore, the HRD manager must be concerned with topics covering policies for training and education and development programs. On the other hand, the purpose of the HRD manager is to make a difference in the real world of costs, quality, quantity, accuracy and timeliness (Nadler and Wiggs, 1986).

Human Resource Development's focus is on people and has been historically concerned with the development of employees and the organization, particularly in the areas of training, career development, and organization development (McLagan, 1989 cited in Bierema and Callahan 2014). On the other hand, Abdullah suggests that the main key functions of HRD are individual development, organisational development, career development and performance improvement. Likewise, the purposes of HRD has been changing and evolving in accordance with organisational strategies and goals (Abdullah 2009).

There are many influences on HRD in terms of societal, organisational/local, and global, such as costs, environment, regulations, policies, culture, beliefs, technology and values. For example, in terms of national HRD there are influences from the intended audiences and beneficiaries, scope of activities, national legislation, the government's political influence and also the country's economic situation (Abdullah 2009). Thus, these factors are connected with one important aspect, so-called globalisation (Haslinda, 2009). Freidman states that ''Globalisation enables the world to reach into individuals, corporation and nation-states farther faster, deeper, and cheaper than ever before'' (Freidman 2000, p.9). Furthermore, the main challenge for HRD practitioners in companies within this globalised world is how to operate effectively at both a global and local level (Hall, 2015).

HRD POLICY

HRD policies originated from the values and beliefs of those who create an organization's strategic plans (Nadler and Wiggs, 1986). On the other hand, Mankin 2009 states that HRD policy should communicate and connect the organisation's HRD philosophy to all employees, furthermore, it is a support in the decision-making process related to the HRD activities.

The main two types of organisational policies are described below:

a. Written policy is one that is recommended by senior man agreement and it is approved by the organisation's chief executive officer and board of directors (Nadler and Wiggs, 1986).

b. Traditional policy is when makes a clear distinction between an organization's culture. It is written policy, operating procedures, directives, and other similar documents (Nadler and Wiggs, 1986).

On the other hand, there are many reasons for the development and implementation of an HRD policy in the organisations. For example, the HRD policy is needed to guide management in identifying and implementing the appropriate HRD learning activities for resolving organizational problems or exploiting new business opportunities (Nadler and Wiggs, 1986). In addition, an HRD policy is required to ensure that supervisors and managers encourage on-the-job application of the skills, knowledge, and attitudes gained by participants in HRD activities (Nadler and Wiggs, 1986).

THE MAIN EXTERNAL FACTORS ON HRD

The only constant is change, therefore, the principal external factor that influence HRD interventions is the globalisation factor and its aspects, for example in training and development programmes on diversity in response to changes in external and internal labour market. Numerous studies have reported that the external environment is volatile, uncertain, complex and ambiguous (for example, Bennett and

Lemoine 2014, Johansen 2007) (CIDP, Loon 2014). In addition, there are other factors within globalisation that influence on HRD practices such as technology (science), economy and social (cultural) issues. According with Mankin 2009 ''Globalisation is about the creation of a borderless global economy that allows unhindered movement of finance, products, services, information, and people'' (Mankin 2009, p.7). On the other hand, Freidman states that ''Globalisation enables the world to reach into individuals, corporation and nation-states farther faster, deeper, and cheaper than ever before'' (Freidman 2000, p.9).

The impact of the globalisation is enormous. First of all, it has allowed transnational companies to globalise the creation of high skills, which means that while traditionally they have been able to relocate low skilled production to low income emerging economies, thus, can now do this with production requiring high skills (Ashton 2010). Secondly, it has meant that companies no longer compete on either cost or quality; access to cheap highly skilled labour means that they now compete on both quality and cost (Ashton 2010). Therefore, this explain a bit the impact on HRD in terms of training, development and costs.

Globalisation provides for HRD practitioners the opportunity to deliver a wide range of HRD interventions that add value to an organisation (Mankin 2009). To accomplish this, they need to work in partnership with key stakeholders at both a strategic and operational level (Mankin 2009). On the other hand, the nature and purpose of HRD at an organisational level differs across countries, regions and between different types of organisations, this occur because the society continues to evolve with values changing (Mankin 2009). Such factors have significant impact on organisations, careers options, work and individual capabilities, therefore impacts on HRD and its aspects. New organisational strategies need to be fluid and 'co-opetition' (to co-operate and compete at the same time) is becoming the new status quo, with organisations preferring this to head-on competition (CIDP, Loon 2014). The impact of these trends and trajectories will vary for different organisations; however, all organisations must respond if they want to survive and thrive (CIDP, Loon 2014). In addition, to be adaptive, organisations and its departments such as HRD, needs to be

attuned to the external environment in essence and recognise changes and their various implications (CIDP, Loon 2014).

In addition, HRD must be aligned to the business needs, organisational culture and in turn the learner. It is essential that HRD must be versatile in playing different roles within the organisation, so they can anticipate and respond to changes in the external environment. In playing, each of these roles HRD must be ubiquitous to build flexibility and agility into every part of the organisation (CIDP, Loon 2014). Although the economy is an extreme important factor behind the globalisation, then affecting HRD, thus there is a big challenge in relation to the ethics that globalisation presents to HRD (Swanson and III Holton 2001). Thus, political and economic freedom have proven to be essential to the development of any society, but human resource development is critical in building on these opportunities (Marquardt 1999 cited in Swanson and III Holton 2001).

Another important factor is technology. That include other aspects for examples technology versus touch, sources of HRD expertise, and ownership of HRD, together these terms have the potential of fundamentally changing HRD (Swanson and III Holton 2001). The role of technology in HRD can be difficult, mainly in terms related to strategies in the full use of technology or high tech and the human need for personal connection or high touch (Swanson and III Holton 2001). The most challenge for HRD practitioners is to learn more about the effective appropriate use of high tech, high touch and integrated high touch plus high-tech interventions and artificial intelligence, for example in fields of use to communicate across borders (Swanson and III Holton 2001). On the other hand, technology offers many opportunities for HRD, such as game-based learning and simulations to improve more complex skills and by connecting people to facilitate informal learning through discussions (Bennett 2014 cited in CIDP, Loon 2014). Technology is an essential change to how organisations operate and how work is performed, both of which ultimately require a response from HRD and its external and internal factors (CIDP, Loon 2014). Thus, Information Technology provides the communication network that facilitates the expansion of products, ideas and resources among nations and people regardless of geographic location.

As well as, science and technology, predictions suggest that societies and cultures will continue to change, and be in continual flux, because of the increase of population, demographic changes, and migration waives (CIDP, Loon 2014). Greater workplace variety and generational changes are also predicted. The Economist Intelligence Unit (EIU 2014) cited in CIDP, Loon 2014 states that this generation has high expectations for personal development and work–life balance.

Therefore, HRD is very important to individuals, organisations, and society that there will be an ongoing struggle globally and locally as to the ownership and purposes of HRD. Swanson and III Holton 2001, believe that this struggle over the role of HRD and who participates in HRD decisions will ensure the continued advancement of the profession.

THE MAIN INTERNAL FACTORS ON HRD

The main internal factors that influence HRD are: Strategy, structure, culture and human resources management (Mankin 2009). Within the strategy and structure can be considered other factors for example: vision, mission and business objectives. In terms of culture can be aligned values, beliefs and basic assumptions. On the other hand, HRM – Human Resources Management is linked in strategy, policies, plans and practices (Mankin 2009).

STRATEGY AND STRUCTURE

Strategic HRD is when HRD strategy is vertically and horizontally aligned, and learning is embedded in the organisation's strategic process (Mankin 2009). Consequently, strategic HRD must be sensitive to both emergent and planned strategies (Garavan 2007). Explaining, how difficult it is to make predictions about the future (Bryman and Joyce, 2007 cited in Mankin 2009). Therefore, the HRD strategy should communicate clearly how HRD objectives support each strategic objective (Mankin 2009).

Mankin 2009 states that a strategic objective might be to launch a new product or service in order to increase the organisation's overall market share by five per cent over two years. This might then involve an HRD aims which focuses on providing sales and customer service personnel with new product/service knowledge. This can be achieved through a mix of HRD interventions such as: training courses, e-learning, or coaching (Mankin 2009). The chosen options are then included in the overall HRD plan or set of plans depending on the size and structure of the organisation (Mankin 2009).

Garavan 2007 states that Strategic orientation is particularly relevant, in addition, firms pursuing cost-oriented strategies generally focus on skills training which contributes to productivity and efficiency. Therefore, the firm's strategic orientation influences the strategic human resources development practices used, their priorities and importances. Cost-oriented firms are required to be concerned with costs and source the majority of their HRD activities internally. Firms pursuing innovative strategies generally strive to generate change and build a capacity for change, needing to be more flexible, thus responding the changes. Lepak, Bartol, and Erhardt (2005 cited in Garavan 2007) suggest that these firms adopt strategic human resources development practices that focus on organization-wide change and implement HRD practices such as management and leadership development, organizational change, career planning and development, organizational development, and knowledge management (Garavan 2007).

CULTURE

Culture is a commonly held set of beliefs, values and behaviours (Smith and Sadler, 2006). HRD strategies need to accommodate these values, beliefs, and behaviours and make then tangible for workers, on the other hand, the values and beliefs have a direct impact on organisational knowledge and learning processes within the companies, furthermore, influencing the type of change programmes related to the HRD practitioners (Mankin 2009).

On the other hand, Garavan 2007 says that the companies' culture provides direction concerning the development of integrated and coherent strategic human resources development systems. Pfeffer (1994) suggests that vision and values serve as touchstones that HRD professionals and other stakeholders use to evaluate the internal consistency of strategic human resources development practices. Furthermore, Truss and Gratton (1994) define cultural alignment as the extent to which strategic human resources development contributes to an organizational culture that supports organizational strategies, goals, and objectives.

One of the impasses that have confronted some HRD practitioners is that the actions and behaviours of administrators may contradict the espoused values and beliefs thus damaging the credibility of both in the business and HRD strategies (Mankin 2009). Consequently, this is a reason why vision and mission statements are criticised and time-wasting distractions; and dismissed by many employees as mere rhetoric (Mankin 2009). In addition, changing organisation culture is one of the biggest challenges facing HRD practitioners (Mankin 2009).

For example, Motorola developed an original HR strategy with goals that include: Linking HR practices to the requirements of key stakeholders; developing the culture so that it was consistent with the organisation's brand identity; and, gaining the commitment of all workers. They state that HR put culture at the heart of the strategy and also they identified that the organisation's culture needed to change whether the company was going to respond effectively to increasingly competitive global markets (Ulrich and Brockbank 2005). Therefore, incremental change is likely to be the most successful approach (Dirkx et al., 2004 cited in Mankin 2009).

HUMAN RESOURCES MANAGEMENT

HRD and HRM must be understood as integrated concepts although each of those has its own distinctive characteristics and roles. The focus of HRD should be on improving while that of HRM should be on creating and maintaining (Mankin 2009 and MC lagan 1989). Therefore, remaining an effective and efficient working relationship with the HRM function is an important aspect of the HRD practitioner's role (Mankin

2009). For example, the HRD function may be part of a larger HRM department but it may also be free-standing, the point is that HRD and HRM strategies, policies, plans and practices are horizontally aligned and not in conflict (Mankin 2009). In addition, Garavan 2007 states that strategic HRD is essential to respond to context with an appropriate mix of strategies, furthermore he confirms that to an orientation that ensures horizontal alignment with the various elements of context. On the other hand, Garavan 2007 says as well that the focus of HRD practices can emphasize short-term or long-term concerns, they can emphasize specific or generic competency development, and concentrate on operational rather than strategic priorities.

Espedal (2005) and March (1991) cited in Garavan 2007, suggest that firms need to implement a mix of practices that focus on exploitation and exploration. Efficiency or exploitation focused on strategic HRD practices tend to be short-term and focus on the internal development of competencies. Strategic HRD can be used to refine firms` specific capabilities and skills and includes practices such as socialization, skills training, and performance management, on the other hand, these practices are developed for HRM department as well. Thus, it is achieved through the adoption of change focused on HRD strategies. Jackson and Schuler (2003) cited in Garavan 2007 suggest that synergies can be achieved when bundles of HRD and HRM practices are horizontally aligned and they contribute to a defined set of behaviours and performance expectations, in addition, to horizontal integration. It is important to have functional and process integration.

METHODOLOGY

This research was carried out by way of a literature review. This is important to demonstrate, explain and evaluate the current existent literature about the theme of the article. Furthermore, through this review we compared and contrasted previous research in this area. Further study beyond the literature was necessary to fulfil the goals of this research. This was undertaken in the form of qualitative research. Qualitative research is a broad term that covers a wide range of techniques and philosophies. In simple terms, a qualitative research method can be defined as an

approach that allows a researcher to examine people's experiences in detail by using specific research methods such as in-depth interviews, focus groups, observation, content analysis, life histories or biographies (Hennink et al. 2010).

CONCLUSION

In conclusion, the companies sought in HRD a fundamental strategy for organisational changes, because the organisations have recognised that knowledge is necessary for keeping them at the market. Thus, the people are the most important factor, being them responsible for quality in services, furthermore for their own efficiency and effectively. The task for HRD within companies is to prepare the people to achieve tasks in short time and expand their abilities for future tasks, seeking to contribute for the companies' development. The main focus is on the competencies of the employees, according the companies' strategic orientation.

Nowadays, the organisations concern to globalise people, clients, products, services, knowledge, outcomes, technology etc. The changes and transformations in HRD area occurs from external and internal environment having an important impact on human capital and intellectual. The globalisation is driving transformation within the HRD. This needs significant flexibility, mainly as there is added pressure on HRD practitioners and policies to shape changes for apprentices, the company, the HRD function and themselves. HRD professionals should be flexible to adapt to external trends, change at the right step and develop the competencies required by their organisations.

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