NEW ROLES OF HUMAN RESOURCES IN FACING THE CHANGING CHALLENGE OF BUSINESS ENVIRONMENT

Dr. Sri Rahardjo*

1Senior Lecturer, Department of Management, Adi Unggul Bhirawa College of Surakarta, Central Java, Indonesia.

ABSTRACT

Changing of environment condition causes effect on friction of human resources roles within the organization. It requires improving of organization awareness to redefine the role of human resources regarding to the environment changes. Various role models of human resources have been explained by the formers and then, model of human resources role suggested by Ulrich (1996). All of the models, essentially, emphasize on the action that according to behavior perspective, strategy requires unique attitude and behavior so that the performance become effective. In this matter, human activities are the main device which can be used to support many kinds of employee behavior which are needed by company. The main responsibility of human resources role transformation becomes CEO’S concern and each department. Human resources role has to be integrated entirely into the real world of company. To realize human resource role has massive contribution, it is required supporting of human resources function in the application. New roles, competences, and ways in managing human resource need to be included in strategic planning and management system of human resources in facing business challenge in the future.

Keywords: business environment changing, friction of human resources role.

INTRODUCTION

Role friction in human resources function has happened in recent years, in line with the changing of organization’s vision and mission. The history of industry and production success began from exploitation and taking over of natural resources in massive, but in recent, the technological advance and development increasing entirely give great contribution in fundamental change in the field of economy. Raw materials or physical assets have no more become parametric of the advance of company or industrial development. Science becomes an important role as new resources to get the successful and competitive excellence of an organization. Thus, organizations have to innovate the organizational of their company fundamentally. Essential changing and business naturally affect in changing of managerial practices which are universal in various industry and organization.

When talking about organization, seemingly it often explains topic which emphasizes on organization excellence reached through various efforts of rearrangement of business process both by structural and cultural changing, vision and mission redefinition, reengineering, keizen strategy. TQM problem, branch marking, downsizing and others, which essentially by
using those instruments, it is, hoped that the need can be reached. It seldom or little bit talking about human resources role. Management solely explains neither strategic concept which is nor so much pay attention on the existence of human resources role. It is only considered as other side of supporting value concept from the strategic which is conducted. It seems restorable, because human resources less concerned by people because the result of investing human resources are difficult to be calculated and viewed and have long term characteristic (Ulrich, 1998).

Business environment changing both macro and micro will management behavior changing in adapting the condition both which has relation with strategic matters and operational factices. Strategic concept will always involve many things, including human resource role. To realize that human resources have great contribution, it needs human resources function support in the application. New roles, competences and ways in managing human resource need to be included in strategic planning and management system of human resource in facing business challenge in the future.

Now, the problem of human resources is more caused by complexity of business challenge which is faced by the company, such as globalization. Profitability improvement, rapid change in technology, intellectual capital which has to be existed, focus and capability, business value chain, objective change through downsizing, consolidation, restructuritation, and reengineering, and proactive in facing the changing. Many business challenges which are faced by companies appear particular implication to them. Organization to them. Organization which can face those challenges is the organizations which have high level capability. They will change the strategic rapidly into the action, managing the process in smart and efficient way, maximizing innovation contribution and employee commitment, and also creating condition which improve capability continuously.

To respond business challenge, company must create a new organizational capability there are two important capabilities which to be belonged by future organizations (Elchinger and Ulrich, 1995).

(1) Intellectual and active: organization has to move and change rapidly, and also learn well. In other word organization has to be active organization has to be reactive to every change which is happened in the environment where in the organization exist. Adaptation moving to every change is an indicator of the organization reaction to the change.

(2) Innovative: organization must continuously find new ways to compete in the market. These new ways, of course, will be conducted simultaneously by all of organization functions to reach the organization objective.

Intellectual and active, and also innovative, of course, will require the need of human resource role. It is native is require of intelligence, activity and innovation without includes human resource role.

In development history of human resource function have experiences friction its real function. At the half of twentieth century. Nile and snow suggested that human resource function solely emphasized on recruitment problem, selection, record keeping, training, time and motion studies, prosperity and relation ship of employees alliance.
At 1960-1970, Friedman said that human resource function focused on employee’s relationship, salary determination and system administration and profitability design, compensation, recruitment, training and development, succession planning, appreciation system management, application policy of similar work opportunity, title security, prosperity and pension innovation.

At 1970s, human resources function included the subject matters, such as training, education and development expert that focus on afeffectivity of individual productivity and organization.

At 1980s, human resources function moved to the matter of creating organization capability troughs concerned at competitive pressure, cost decreasing, productivity innovation, quality advance and customer oriented.

At 1990s human resources function emphasized on new priorities which wearer more concerned at human resources skill, such as by motivating team work between functional units. Creating thought which oriented as customer service, identifying skill needed and new competence, and also global expansion (Conner and Ulrich, 1996).

**PROBLEM OF STATEMENT**

From the problems ranging from changing requirement and friction of human resource function in arranging the organization. It will appear the question: what new roles which have to be applied human resources matters that need to be included in strategic planning and management system of human resources in facing business challenge in the future are? In short, the answers of this question is creating human resources which are really new and creating new roles in different perception of human resources. It is hoped to be suitable or it can adapt business challenge in the future. This new roles are not only become discourse but also guidance directing the portion which has to be presented in the structure which changes continuously. New roles of human resources are hoped to become reference to very strategic concept which will be elaborated as organization operational tactics.

**HUMAN RESOURCES: NEW ROLES MODEL**

Some human resource new roles model have been explained by researchers, for instance: French (1986) suggested that human resource had some roles, such as:

1. Diagnostic role: human resource executive must give early solution every problem which is faced by the organization. Here, the analyzing of every problem has to be able to be detected in order to find an exact solution.
2. Facilitator and catalisator role: human resources executives can act and bridge every interest in every business activity done by employees, employee’s interest, working units which orientate to organization objectives have to be accommodated and facilitated.
3. Consultant role: human resource executives van give solution to each problems. They can role as consultant to each business activities which are performed.
4. Evaluator role: human resource executives can role as appraiser of each activity performed by each employee or working units and they can give measurement standard to the success that has been reached and will be reached.
Human resource roles model are also explained by Schuler and Jackson (1987). They explained that human resources played roles in the field of planning, staffing, valuing, compensation and also training and development. Human resource executives have to be able to give action in planning context ranging from employee needs to the development. This is often done by many human resource executives that still use conventional performance. Here, it is more emphasize on sequence of planning main function of human resources management.

Schuler (1990) explained other human resource roles model. He said human resource has role as business personal, changing creator, organization consultant, formulator, strategic implementation, talent manager, cost controller and asset manager. This model is more emphasize on the orientation that human resource executive have a main role in the success of business. Requirement of human resource executives role are not only act as human resources management function but also as business architect.

Wiley (1992) gave human resources role model where it had a role in strategic process [as consultant, elevator, detector, changing agent, catalisator, business partner and cost manager, legal aspect (as auditor consultant, peace maker and giver); operational aspect (as problem solver, changing agent, employee advisor, facilitator and policy consultant)]. Compared with other models, it seems become a complete model which summarize aspects in strategic to its operational aspects.

Ferris (1994) suggested that human resource role as supporter, server, consultant and leader. Becker and Gerhart (1996) said that human resources role as value creator that was be come competitive excellence. Meanwhile corner and Ulrich (1996) said that human resource role as strategic partner, administration expert, employee fighter and changing agent.

According to Ulrich (1998), there were four human resource new roles:

1. Role as strategic partner. Human resource executives have to motivate and guide the serious discussion or how the company has to be organized to perform its strategy. Here human resources must be responsible to define organizational structure, perform organizational audit, identify method to renovate how organizational structure part, take initiative and arrange priority. This role focuses on strategic combination and human resource practices with business strategy. Human resource professionals work to become strategic partner and assist to ascertain business strategy success. By employing this role, human resource professionals improve business capacity to conduct the strategy. As application of business strategy into human resource practices help the business in order to adapt the changes, to fulfill costumer’s demand, and to reach performance though a more effective strategic application. This strategic partner role can be elaborated in sort, such as caring of bottom line, understanding business and market, ensuring the success of strategy performance, having long-term vision of business direction, interpreting various strategies to become various activities of priority human resources management, and having ability to diagnose organization in determining strength and weakness.

2. Role as administration expert. Human resources must improve efficiency of there traditional function and a whole organization. It requires human resources professionals that design and employ on efficiency of human resource process to staffing, rewarding, training, promotion, and other employee managing thought organization in efficient ways. In turn, this
efficiency improvement will develop human resource credibility and the last it will become strategic partner. This role can be elaborated in sort, such as planning and developing human resource management process in efficient ways, creating organizational infrastructure thought valuing and improving human resource management process constantly, performing activity which directs to reengineering working process continuously, and analyzing and giving response to organization’s need.

(3) Role as employee fighter. Human resource must perform many actions in order to increase commitment and employee contribution. In the companies where intellectual capitals become critical aspect of resource of company, human resource professionals will become active and aggressive in the success of organization. In respect to this matter, human resource professionals have to understand employee’s needs and ascertain that employee contribution to the organization will increase. It can be elaborated as follows: understanding various potential of human resource, focusing competence identification that is required to perform strategy in the future, having training and education management capability, analyzing various human resource provisions that are required in fulfilling new challenge, and having ability to develop commitment to the action.

(4) Role as changing agent. Human resource must develop organizational capacity to catch and capitalize the change. Changing initiatives emphasized on creating team that has high performance in implementing new technology developed and addressed in the way and exact time. The most difficult challenge for organization is a challenge to change organization’s culture. To create new culture, human resource has to perform. The implementation of this role can be elaborated as follows: having ability to implement strategy change, having ability to develop organizational learning and team work and also having relationship, having ability to create sense of urgency, having ability to create sense of urgency, having ability to think conceptually and articulate thought and having sense of purpose through focus and value system.

HUMAN RESOURCES COMPETENCE REQUIREMENT

General approach which is used in modern competency frame is Boyazis Approach (Wood and Payne, 1998) which tends to simplify the concept and focuses on behavior that can be observed. It is obtained (12) twelve competence indicators which are generally used within the organization and individual.

Those indicators are:

(1) Good communication.
(2) Result or achievement orientation.
(3) Consumer orientation
(4) Having ability to work together within a group.
(5) Having leadership spirit.
(6) Having ability to plan and to organize.
(7) Having commercial knowledge and high consciousness in business.
(8) Having flexibility or ability to adapt rapidly.
(9) Can improve and develop others capability.
(10) Having ability in solving problem.
Having ability to think analytically.

Having ability in developing long term relationship.

According to behavior perspective, strategy requires unique attitude and behavior in order to perform effectively. In respect with this matter, human resource activity is a main device that can be used to strengthen various employee behaviors which are required by company. In the new roles model that have been explained above become effective, it needs dramatic change in the way of thinking and behavior of human resource professionals. The competences which have to be owned by them, including:

1) Empowering Business. Human resource problems are determinant aspect in business success, so that human resource professional have to cooperate with management team of organization. Thus, they must have general knowledge in the field of financial, the need of external costumer, information technology (IT) and other business processes.

2) Empowering Human Resource. Human resource professionals design and address human resource practices with are linked together with business objective. Note that human resource professionals have to increase systematic and strategic perspective, and even their functional skills.

3) Empowering process and change. It means that human resource professionals need to develop their competence in interpersonal skill and management affects to catch issues properly, identifying innovation opportunity, detecting and solving problem, vacillating decision making, creating environment which supports participation and having dare to face risk wisely.

4) Employing upgrade to human resource professionals that are not prepared and positioned to respond change of human resource agenda, it is conducted because they that perform in this field will determine service quality and affectivity from them. Human resource professionals need to identify clearly who is their costumer and conduct the measurement of their new performance.

HUMAN RESOURCE CHALLENGE IN THE FUTURE

Challenge for human resource in the future is not begin with its function but business results. The constantly have to ask what will be performed to increase value of company. What is their graduate to what will be happened in the company, in respect with what they have done?

In order to fast the future, organization needs to do activities (Elchinger and Ulrich, 1995) including:

1) Developing global leadership.

2) Developing organizational core competence.

3) Creating strongest internal organization

4) Become authority of rapid change better.

5) Costumer orientation.

6) Learning to use organization, culture as weapon and competitive device.

7) Developing and improving business continuously.

By using human resource, the organization will be able to make it “different” from others, valuable, and it is difficult to be replaced and imitated by competitors, so that it will appear
Continuous competitive excellence. Thus, human resources have a main role in realizing and restraining organizational competitive excellence, because human resource enables the performance of organization strategy and strategy and develops capacity to change (Yeung and Ulrich, 1989).

CONCLUSION

Fundamental changes in the business environment have resulted in changes in the importance of human resource systems and shows the importance of human resources for the growing business. Therefore necessary restructuring and readiness human resources in facing environmental challenges business. In the face of this condition, any organization required to change soon adapt to environmental changes, and more competitive. Based on the description about the new roles of human resource in facing the changing challenge of business environment, the human resource should have:

1. Role as strategic partner.
2. Role as administration expert.
3. Role as employee fighter.
4. Role as changing agent.

REFERENCES