

Human Resources: Driven by Social Change

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## Human Resources: Driven By Social Change

The field and practice of Human Resources is still emerging and there are unanswered questions. One such question might be what should be the real purpose of human resource management or human resource development? Is it a management tool for the organization or is it the patsy of government and social agenda stakeholders? Should its objective be narrow and focused on organizational goals that are purely business related, or should it be the gatekeeper for corporate social responsibility that requires a divided allegiance between the company and the world? It appears that human resources as a practice is being embroiled in a new role – that of being the central repository for social agendas and that is having to be the liaison between four major components, the organization, employees, community, and government. I posit each component has sequentially added complexity to the practice of human resources. As each stakeholder component has been added, organizations have gone through a cycle of tensions that have forced change, the change required giving away organizational independence, put in place authorities to maintain the new changes, and then the organization adapted its practice.

Historically there have always been economic enterprises. Even if we take the anthropological stories of hunter-gatherer societies, we must assume there were the haves and the have not's – and the haves either through power or influence were able to control the direction and growth of their enterprises. Farmers were still merchants – they sold their produce. If the social system was feudal, there were still owners (employers) and workers (employed). Whether a system was a slave state, an agricultural community, a kingdom, or an aboriginal village – society is made up of those with power and those without, and power whether it is good or bad for the most part results in material benefit we call wealth.

A written history of human resources may take us only as far back as the end of the 19<sup>th</sup> century, but it is evident the practice of labor management is as old as human history. We read in the Bible of the stories where the land owner negotiated wages, and at the end of the day some complained because those who were hired last received the same as those who were hired at the first part of the day. We note there were complaints by the laborers and Jesus gives us a clue to God's thinking about business. Jesus said, "How can you complain. Don't I have a right to do what I will with my own money?" In this story, God's view favored management over labor. We read another story where John the Baptist rebuked the Roman soldiers in teaching about repentance by saying "Be content with your wages". Here is another example of favoring management over labor. Property rights are upheld throughout scripture for owners of property which includes those who own business enterprises. Even the communal exercise of the first church did not suggest an involuntary distribution of wealth. One of the substantive characteristics of business that was intended by God is the characteristic of *stewardship*, but that characteristic depends on the constructs of decision making, choices, control, and initiative inherent with the steward. The more incursions by outside elements the more difficult it is for stewardship to function. Every layer of control added to an organization adds to tension, the possibility of bureaucracy, and one more set of agendas with which to contend.

The point is that business enterprises are historically characterized by ownership who had managing control over business functions and outcomes. The early practice of human resources in emerging industrialization was functional as a management tool with express objectives that aligned with one stakeholder – the owners (that is the organization). What must be clearly understood is that modern human resource practice is showing signs that its purpose is being redefined from an organizational function under the control of owners to a function that must

serve society and government as well as the organization. The new HR is becoming more complex as it wears different hats, including being a labor relations specialist, lawyer, advocate, counselor, manager, expert on medical practice, priest, and educator. While most functional departments within an organization is asked to perform one major and core function, HR professionals must be both generalist and specialist in several functions. While this may be seen as creating opportunity and an appeal that moves HR professionals into top management, the question is what negatives should we be concerned about going forward?

### **Add the power of labor**

In the Biblical accounts just mentioned, the tension between management and labor is evident even in Jesus' day. In the early history of industrialization the function of HR was not that complex because control was still a matter of ownership. Good owners (or stewards – or managers) made decisions and people obeyed based on the old notion of being a “hired hand”. HR primarily functioned in the hiring process as an administrative arm of the organization but there was little threat to owners in terms of who made decisions and provided direction for the organization. The changes that took place because of labor movements such as unionization did not simply change how management functioned, but it added to the complexity of how human resources functioned as it took on more task including labor relations. Power and control were now divided into two major stakeholders and HR was in the middle. Who does HR serve? For the most part, it is weighted toward management but must now include labor as customers.

### **Add the power of government**

Following World War II a changing society included more women in the workforce, and this also coincided with greater emphasis on civil rights. Discrimination issues were not the only

place where government was beginning to intervene in business practice. The growth of government started before the war but was continuing by adding new regulatory agencies. One can easily note that government has increased with every new social agenda and then has a way of fostering a continued growth both of the agenda and the government. Again, HR became the liaison between the organization and the government. Most safety departments are tasked with training as well as monitoring and because of its training aspects they are often seen as an arm of HRM or HRD. So many of the new regulations that resulted in the period following the war was related to civil rights and employment issues, that HR gained a new boss – government. Now there are three – management, labor, and government – and HR must navigate between the three to perform its duties.

### **Add the community**

While public relations is a function that is the visible arm of an organization in handling many community issues, public relations is less likely to be the change agent to implement policies and procedures that are necessitated by community action. Corporate social responsibility involves direction and decision making from top managers, marketing, production; almost every functional department associated with the organization. But change involves people including training, informing, evaluating, and all those practices that support making change happen. While focus may still rest on top management and the public relationships personnel, implementation and task may very well involve a great deal of effort from HRD. More importantly the community is the latest of stakeholders that drive personnel agendas within an organization. The push-back on top management for making society happy has a way of falling in the lap of HR. If there are tensions or law-suits that arise, HR is the first place to look.

When EEOC has a complaint – the first course of action is to contact HR. Add another layer of control, oversight, and accountability to the HR department.

## **Summary**

This begs the question, “why would one want to work in HR?” It is a place where values are challenged, ethical behavior requirements are heightened, oversight is abundant, and stakeholders are multiplied. It is also the center of operations for every organization and has the potential to be the greatest change agent next to top management.

When I was a juvenile probation officer I came to the realization that in spite of the low pay there was certainly a lot of power in the position. Police officers often feel the same emotional attachment. The pay is not always the greatest, there are is an imbalance at times between the risk and the reward, but much of the attraction is knowing one is in a position that can make a difference in oneself and others.