HUMAN RESOURCE STRATEGY AND MANAGEMENT OF CHANGE APPROACH

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ABSTRAK

Efektivitas pengelolaan organisasi merupakan dambaan setiap manajer utamanya bila dikaitkan dengan tuntutan perubahan lingkungan organisasi masa kini dan masa depan yang diyakini akan bergerak sangat cepat dan radikal . Ada ungkapan yang menyatakan bahwa organisasi abad XXI hanya akan terdiri atas dua kelompok yaitu kelompok organisasi yang senantiasa berubah karena sifatnya yang adaptip dan fleksibel serta kelompok organisasi yang terpinggirkan dan mati. Upaya mempertahankan kelangsungan hidup organisasi menuntut perubahan cara pandang dan metode berfikir dari segenap peserta organisasi melalui suatu proses pembelajaran yang berlangsung secara terus menerus. Untuk itu diperlukan pendekatan pengembangan sumberdaya manusia yang bersifat stratejik yaitu proses perencanaan sumberdaya secara terintegrasi dengan rancangan usaha sebagai perwujudan misi dan visi organisasi. Perencanaan sumberdaya manusia yang bersifat stratejik mengedepankan pengembangan kapasitas dan kemampuan internal organisasi beradaptasi dengan perubahan. Fokus perhatian diletakkan pada pengelolaan perubahan yang sumber dan wujudnya beragam menjadi perubahan yang lebih terantisipasi melalui peningkatan peran dan tanggung jawab para agen-agen perubahan. Agen-agen perubahan dalam organisasi adalah mereka yang karena posisinya menjalankan tugas dan peran mengelola perubahan ke arah situasi yang kondusip untuk kelangsungan hidup organisasi. Agen perubahan ini dapat berupa para manajer ataupun para non-manajer, atau bahkan pihak-pihak luar organisasi seperti kalangan konsultan. Namun demikian, pengalaman menunjukkan bahwa peran sebagai agen perubahan yang menonjol utamanya dalam tradisi pengembangan perusahaan-perusahaan besar bersumber dari kalangan manajer puncak organisasi. Ada empat tipikal kategori perubahan yang dapat dilakukan oleh para agen perubahan ini yaitu mengubah struktur, mengubah teknologi, mengubah setting fisik lingkungan kerja, dan mengubah atau mengembangkan orang-orang yang esensinya adalah mengembangkan kapasitas individu maupun organisasi secara keseluruhan

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INTRODUCTION

Central challenge to organization and management in entering the third millenium of human civilization is the need for a strong effort to conduct sustainable organization improvement compatible with environmental

change which evolve very rapidly and radically. A key measure of management in the years ahead lies in results attained relative to the opportunities and constraints created by rapid environmental change.

The tasks of organization and management is to create and maintain a work environment which allows the organizational staff, either individual or group, to work optimally to be able to contribute maximally to the achievement of the organizational goals. A primary way to gain competitive advantage is to manage people more effectively. Developing and implementing human resource strategies ensures that actions in managing human resources are allligned with competitive demands, as reflected in business strategies. To win in the global market place, companies are seeking to provide distinctly superior customer service, develop new capabilities and employee commitment, pursue innovation and creative initiative, and manage change through teamwork and cooperation.

A dynamic of organizational change which is harmoniously and firmly interrelated each other from time to time and involves all the organizational members at all level of structure is required. It is understandable that the innovator, the motor of this organizational dynamic to be conducive to and relevant to the external environmental change are the organizational élites who carry the tasks and responsibilities of the organization to achieve its goals. Decision making groups or line managers who are also frequently addressed as "management" is responsible for the preservation of organizational adaptive culture i.e. the organizational culture which enables the organization to catch any chance by manipulating each change to be opportunity.

For this reason it is worth taking care of some management's points of view (i.e. manager group who forumulate/make decision) who are still trapped by traditional points of view that the human resource factor either as labor or as a business function, is much more perceived as a burden factor of the

organization rather than as a very valuable asset, because they normally are the biggest operational cost component proportion. Very seldom have human resource decisions been considered a source of value creation, or what Hamel and Prahalad (1994) termed "numerator management".

As a result, in the change era of external environment which is so fast and requires improvement in efficiency, the work force burden factor becomes the most immediate and the easiest object of focus. The amount of workforce cost component proportion justifies the organizational policy whose essential is the rationing by reducing the number of workforce in terms of "compulsory leave out of the organization responsibility" or "being housed" or dismissed from their jobs.

Some current observations show that the labour cost factor is the single largest operating cost component in a number of organizations being observed (Saratoga Institute, 1994). Therefore the reduction of workforce becomes the first choice in considering the strategy or effort to improve efficiency. In the organization and management practice, less people view the management of human resource factor as "value added creation" factor, in the sense of optimizing human resource management (HRM) operational functions which is linked to the mission and strategy of the organization. The new interest in human resources as a strategic lever that can have economically significant effects on a firm's bottom line, however, aims to shift the focus more toward value creation. This new perspective contributes directly to the implementation of the operating and strategic objectives of organizations.

Strategic approach in human resource management is the focus of attention of not only the human resource department managers but also line managers. Why? Because the application of strategic human resource management requires integrated network between line managers who carry on operational functions and human resource

department manager as service function. In this respect a harmony of internal fit of human resource management operational function, reflected from planning function and human resource acquisition, staff training and development, compensation and work environment maintenance, career development path, etc. as well as a harmony between HRM policy and the organizational strategic objectives (external fit). The creation of synergic "internal" and "external" fit requires a very complex interaction process. From the various matters related to this complex process, the following discussion will be focused on three matters namely the need for strategic view for human resource development,. the adaptive culture and learning organization and the management of change.

THE NEED FOR HUMAN RESOURCE STRATEGY

Companies as organization perceive human resource issues as important challenges in achieving desired business changes. Human resource issues and strategies are directly linked with the business issues and strategies. They go hand in hand in reality, thus also in management thinking, planning and action. Most companies have business strategies which define plans for future growth, development and profitability. They also have various kinds of spesific functional or product business strategies ,i.e. for financial management, product management and marketing, manufacturing and technology, materials management, and information management. These strategies define how a company will gain and sustains its competitive advantage in the market place.

The capacity to implement changes called for the business strategies is dependent on people. There is an adage that assets make things possible, but people make things happen. People, not companies, innovate, make decisions, develop and produce new products, penetrate new markets, and serve customers

more effectively. Typically, human resource issues are central to strategy implementation.

Business organization or firms have in common one fundamental human resource issue : How can the organization ensure that it will have people of the right types and numbers, organized appropriately, managed effectively, and focused on market requirements ? Human resource strategies define how an organization will manage its workforce toward the achievement of business objectives and setting priorities for action. Like any strategy, a human resource strategy is a directional plan of action for managing change. It provide a business perspective of actions necessary to gain and sustain competitive advantage through the management of human resources.

Through human resource strategy, managers and human resource staff jointly define and resolve people-related business issues. The planning process adds value by helping managers identify the issues most critical to the organization's competitiveness and ultimately to its success. It helps management set priorities and define a vision of how it intends to manage its people. The management of human resources is aligned with business strategy through the defined human resources issues and strategies. The clearer and more focused the issues and strategies, the closer the alignment.

Human resource strategiesprovide a basis for discussion and agreement among unit managers on priorities, activities, and allocation of time and resources. Where explicit business strategic planning is used by management, human resource strategies are developed as part of this process, with human resource and management effectiveness issues addressed as any other business issues.

Human resource strategy helps focus, mobilize, and direct all human resource activities on the issues that most directly affect the business. It is the glue that binds all other human resource activities and makes sense of them from a management viewpoint. Walker

(1992) summarized the benefits of human resource strategy as follows :

- Defines opportunities and barriers for achievement of business objectives

- Prompts new thinking about issues; orients and educates participants and provides a wider perspective

- Tests management commitment for actions; creates a process for allocating resources to specific programs and activities

- Develops a sense of urgency and commitment to action

- Establishes selected long-term courses of action considered high priority over the next two to three years

- Provides a strategic focus for managing the business and developing management talents.

Human resource strategy also aligns management thinking and actions in managing human resources. It defines how managing human resources may be approached through a logical, coherent, strategy-focused process. It goes beyond human resource strategy formulation into strategy implementation, shaping how managers manage human resources for greater results.

ADAPTIVE CULTURE AND THE LEARNING ORGANIZATION

Organizational culture has a number of meanings, but a shared values adapted by certain organization members is widely accepted to particularly distinguish between one organization and others. Organization culture has two distinctive levels being viewed from their clarity and acceptability towards change. In a more in depth and less visible level, the culture refers to the values adapted together by people in the group and tend to survive forever or for a long time. These values includes what is important in life, and could be very varied from different business organization. A number of companies have a

great care of profitability, others have great care of innovation and creativity, still others prioritize staff welfare or long life work guarantee. In this level, culture is some times difficult to change, partly because the group members frequently do not reorganize the exess values, which bind them together. In the surface level which is easier to observe, the organization culture describes the patterns or behaviors of organization members, so that its existence is more easily observed or initiated by new members.

Edgar Scheim in Luthans (1989) defined the "Organization culture" as : "a pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valuable and, therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems".

The explanation of shared values adapted by this group members (organization) by Stephen R. Robinson (1998) is identified in to seven main characteristics of group share i.e. the shares in :
1.   Innovation encouragement and risk taking.
2.   Cares of detailed matters.
3.   Emphases on work product oriented rather than techniques and its process.
4.   People oriented i.e. the impact of management decision to the group members.
5.   Team work orientation.
6.   Aggressiveness rather than relaxation, and
7.   Emphases on stability or growth/change dynamics.

Those seven characteristics exist in every organization in different degree from low/weak to high/strong. Organizational characteristics configuration arises from the assessment based on the seven criteria form common perception from the organizational members i.e. what and how something is going on and how to behave properly.

Common values preserved sustainably and shows good work results for a long period will form a strong organization culture. Based on this view, a hypothesis that the organization culture has positive correlation with the company's work habit is normal.

On the other word, the stronger the organization culture is the stronger the work habit of the organization is expected. These hypothesis have been studied by Kotler and Heskett (1997) with a number of conclusions, among of them are :

1. Company's culture may have significant impact on the long term economic work habit.

2. Company's culture may become an even more important factor in determining the success or the failure of the company in the future decade.

3. Although it is difficult to change, the company's culture can be made conducive to the improvement of the work habit.

A strong culture tend to be less flexible, therefore if an organization faces a sudden dramatic external change, the organizational behavior pattern is difficult to adapt the change and therefore it misses the moment. It is not a surprise when Kotler and Heskett (1987) stated that the statement "A strong culture create superior work habit" seems to be overstated and is not supported by empirical data.

Why is it so? Organization which has painted a long success history is identical with the establishment of a strong culture which in turn can create exessive self confidence, like "Titanic" case. The result is the extinct of a number of American and European well known companies, which follows the extinct of various species of animals and plants along the history. Within the country we can count a number of big companies which prosper in 1950s which has one-by-one dissappeared and replaced by other companies which can more quickly adapt the movement of the change dinamics. The expertise of Bugis-Makassar traders from eastern part of Indonesia has long been a legend, however, they have similar experience which makes them slowly disappear and were replaced by new and more adaptive enterpreneurs.

This pattern will continually be repeated, some are born from failure to overcome and change to suit the era. This is not a new idea. We know we have to change. We know we have to do something suitable to the current issue, so that the need to change become a clear demand. Things which may not be obvious is what exactly the change is and how we can make it.

Michael Morgan (1996) made a very distinctive description on know the change happens so dramatical and so obvious that it wakes us up from our dreams of organizational culture stability which are unshakeable. Organizational stability moves along with resistance to change. The organization is very structured in what ever it does. They favor very much logical, national thinking, and analysis above all others. They are always suspicious to something they have not known and will be strongly influenced by procedures which they have tried and correct, and had been successful in the past. After all, if they decide to change they will do it in a very slow manner, observe everything very contionsly like before, and are always ready to withdraw if required. This organization behavior is typically a past organizational behavior.

The organizational behavior in the past tend to be very strong and very slow beaurocracy but surely move towards the goals which have been established in advance. Very few or none at all can change their direction or diverge their steps. These organizations tend to be specialized and so centralized that they cannot take something else into account. So many repetitive works, overlapping process and procedures, but non of them seem to know where the commands are coming from, but very one seems to be happy to obey the commands. This is a strong organization culture. Such the type of organization culture is a past organization which was based upon the

assumption that they can choose stability as their choice.

Thinking and acting as such, a number of organizations of this kind have been taken over by organizations which think in different ways. New values currently arise and is working. This range of new values is based on the believes that we do not have any other choices. We can not any more choose to participate in anything , merely according to our choices. The world shrinks so much that we cannot identify the borders of the regions any more. If the New-york stock exchange goes down three points, its effect will immediately shake Jakarta, which in turn will also effect the edge of Irian jaya. On the reverse; what happens in our environment will also effect other edges of the world. We are not isolated by space and time distance any more; everything becomes one and interlinks each other. The most relevant and significant aspect is that we, as an organization, or individual cannot deny the changes any more; we have to adapt it and the organization must get ready to develop a range of new values based on the acceptance of the change.

This new value is indicated by changes in the structure, hierarchy, rules, and the faith to become autonomous, equal , free and responsible. The organization is demanded to be responsive and adaptive. Organization needs to be located in the position where a freedom of thinking and fresh new ideas are valued, where individual are very free to true contribute their ideas, can make decision, and can contribute added value and try something new.

The future challenge is how to optimize decisions related to the human resource management (HRM) so that they can create added value through the creation of internal or external fit, a synergy which arises through harmonization between operational decisions of HRM and the organization strategy.

Internal and external HRM efficiency harmonization in one external environment condition which changes very fast requires harmonization in the organizational culture. This organization culture harmonization is more familiar with adaptive culture i.e. the existing of changes in the group members common value gradually and harmoniously through manageable organization internal changing process. Environment adaptation which changes quickly could be initiated by improving the HRM internal efficiency i.e. the empowering of the organization work force. The management must take care of the cost which must be paid by the organization as a result of the negligence of training and developing the staff. Prais (1990) studied HRD strategy in companies in Britain compared to Germany, France, or Japan, he found that the product which were produced and distributed by the British companies were not as good as what had been done by it competitors from Germany, France, or Japan. This was caused by the less investment of the British companies in training and development of human resources.

HRD strategy in creating internal fit ought to be conducted simultaneously through recruitment process and selection as a gateway, orientation, training, education, which are followed up with motivating strategy, assessment, and effective compensation reward.

All of these are conducted with organization learning and development. Webster (1990) stated : "Top management must learn to understand that every action they take either produces healthy growth in the work force or it inhibits it. They must review the systems, the organization structure, the physical lay out and the human resource policies ………. With specific purpose of creating through them the environment in which people may thrive".

Without cares of business lines which may be very different, every organization developing the philosophy of "Learning organization" will continually develop HRM strategy through investment in relevant staff development, and in turn , will create internal

work environment which encourage fair competition for the growth of strategic thinking pattern in all of the organization level, and further more, they are able to observe the threats and opportunities from their external environment, so that they can give more creative responses. The creation of this strategic capacity allows Japan become superior in competition without abandoning their strong traditional values although it can be "infiltrated by relevant policy" which makes them adaptive to the environmental change. "Learning organization" is described by webster (1990) following the five-Kwik-Fit learning processes as follows :
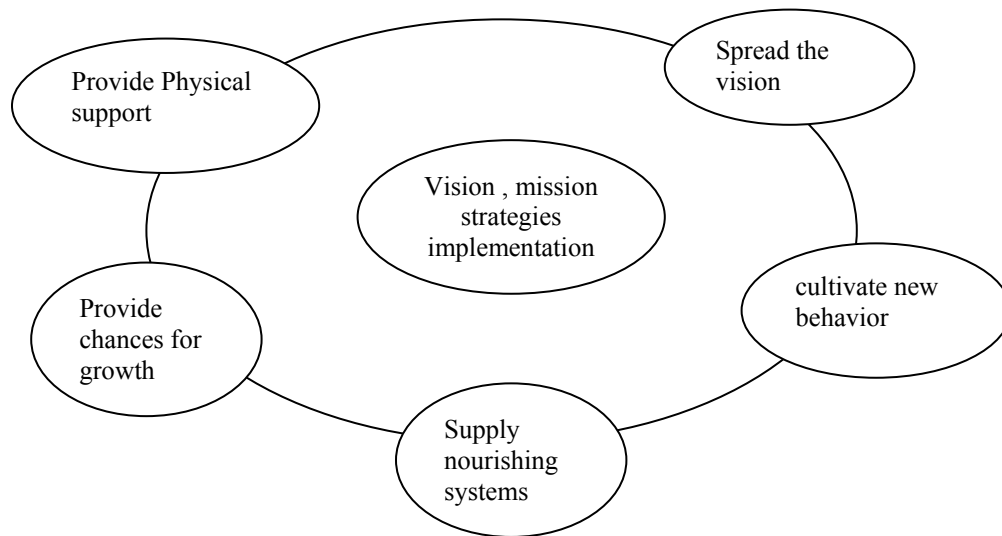
From the above sketch, a continuous process of organization learning through the integration of the companies vision, mission, and strategy into the basic values adapted together so that it affects individual and organization behavior and conduct which is adaptive (new values arising from learning process). Furthermore, the new adaptive values will influence the system or the organization structure which allows sustainable organizational growth which creates sustainable competitive power. This organizational learning process implicitly assumes the birth of sustainable development of human resource based on the assumption that the HRD (through orientation, training, education, rotation, mutation, promotion, etc) is future investment, because human resource is "invisible asset" (Itami, 1987). "We should think of learning as the expansion of one's capacity, to create, to procuce results" (Senge, 1990). In this way, the objectives are more broadly defined; not merely the development of knowledge, skills or abilities, or the influencing of attitudes, but the **development of capacity**
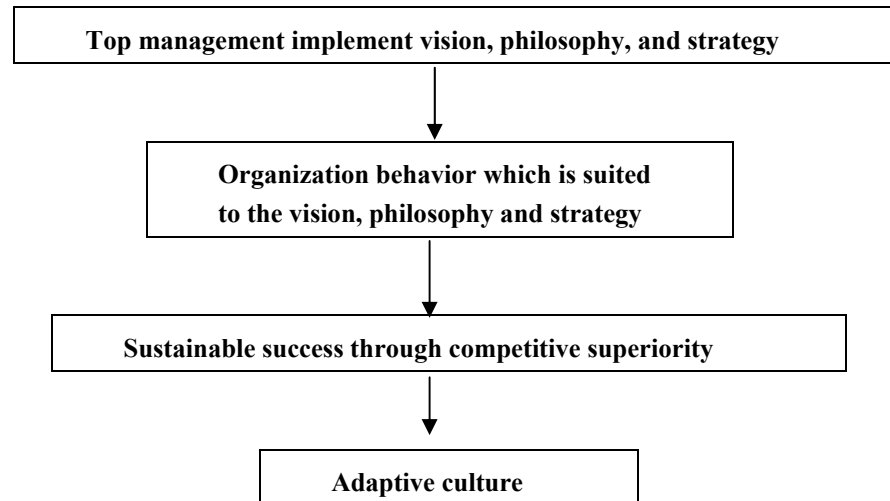
Learning organization believes that we do not have a choice but we have to change. The problem is how to treat the change so that it becomes an opportunity rather than a threat. It is therefore, necessary to distinguish between accidental change i.e. unrecognized or unanticipated change in advance so that the management reacts according to the immediate need (reactive behavior)

MANAGEMENT OF CHANGE

Learning organization change is a programmed change, that is a change which is based on a thorough prediction on the organization future and its environment which is reflected from its vision. A programmed change create proactive organization behavior. How and what is the purpose of the programmed change.

The essence of the programmed change is divided in to two, the first one increases the organization ability to grow harmoniously with its environmental change, and secondly, the HRD compatible with the organization change within which it is located. Initiatives to plan and to manage "programmed change" is within the change agents. These change agents may be from manager group, staff group or outsiders of the organization such as consultant group.

Based on empirical facts of various business organization's experience of conducting programmed changes, it could be acknowledged that these agents of change are much more and more effective if they are on the hands of organization elites (CEO) such as Bob Allen from AT & T, Mikio Kitano from Toyota, and Philip Candit from Boeing (S.P. Robbins, 1998). This is so, because it is related to the organization culture. The organization culture is basically introduced by someone or a number of persons who have the positions and the capacities to implement certain values which they believe are able to cause the organization behave conducively to obtain the common objectives. Process of the existence of new culture's adaptation to environmental change initiated by organization elites can be described as follows :

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┌─────────────────────────────────────────────────────────┐
│  Top management implement vision, philosophy, and strategy │
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                            │
                            ▼
        ┌───────────────────────────────────────┐
        │   Organization behavior which is suited │
        │   to the vision, philosophy and strategy │
        └───────────────────────────────────────┘
                            │
                            ▼
    ┌───────────────────────────────────────────────┐
    │  Sustainable success through competitive superiority │
    └───────────────────────────────────────────────┘
                            │
                            ▼
            ┌───────────────────────────┐
            │      Adaptive culture      │
            └───────────────────────────┘
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The company agents may operationally conduct programmed changes through various ways. A number of those ways can be described such as follows.

1. Changing structure
2. Changing technology
3. Changing the physical setting
4. Changing people

In the efforts of implementing the changes, it is advisable to take care of the barriers arising from natural behavior of the human resource or the organization. Individual barriers arise from human behaviors which resist changes because of a number of factors such as habits, security, economic factors (risks of changing the income), and a few of uncertainty.

Furthermore the organization barriers arises because of the preservation of working mechanism which has diffused with the members conduct & behaviors, so that a change of an existing pattern will create structural inertia. Other organizational barrier is the limited focus of change. The organization is a big system which consists of a number of subsystems which interrelates and influences each other.

Changing one aspect or subsystem will affect the working habits of other subsystem which in turn will affect the whole organization working habit.

The next barriers of organization change is the resistance of group behavior to change, for example, because the existence of a strong labor organization who wish to preserve its group inertia. Other barriers may arise from expert group, i.e. those specialists who feels their positions and role are being threatened when a change is introduced. The last organization barrier is the management group's fear of the likely reduction of their roles and responsibilities in the new structure and mechanisme. This is more frequently found in the middle management groups or supervisory groups.

Being aware of individual or organizational barriers to the programmed change, a preparation and simultaneous effort is required to solve the problem. The most urgent requirement is the improvement of communication systems and facilities which allows the messages of change be accepted thoroughly by all of the organization members. The essence of the message is how they understand the logic of the programmed change which ends up to initial trust and credibility of the management. Without trust and credibility, the change of organization, in terms of improvement of more conducive working atmosphere can never be obtained.

To overcome individual resistance, one may adapt a method of involving the individual more extensively and intensively in the process of decision making. In this stage, negotiation process is required, take and give a number of appropriate compensatory forms. The weakness, however, is the time spent and the solution may be too compromistics.

Other possibilities may be considered is "manipulation and cooperation". Manipulation can be defined as an improvement of the message packaging to make it more attractive and easier to accept; for example, a compaigne of a possibility of closing a factory (even if it doesn't really mean it) when the whole level of staff do not commit to economise the company's spending.

Cooptation consists of manipulation and participation elements. Manipulation and cooptation have negative impression so that they may become boomerang to the success of the change, therefore the use of these tactics should take care of the risks very carefully.

Final efforts to overcome the barriers to change is through enforcement by the authority of the management. The end of this programmed change is the arising of a more conducive organization as a response to the central challenge of radical changes of organizational external environment like what we are currently facing. Conducive organization implicitly suggest the preservation of superior competitive advantage through the utility of human resource in the perspective of strategic human resource management.

CONCLUSION

Based on discussions of various organizational perspectives in relation with the strategic human resouce management approach as mentioned earlier, several conclusions can be drawn as the following.

1. Central challenge to organizational performance in general and business organization in particular, in entering the third millenium era is the need of continued organization learning through strategic human resource management, i.e. the harmonization between functional decision of human resource management and organization development strategy.

2. Within an organization conducting continual learning process, an adaptive organization culture is required, i.e. a flexible organization culture, so that they are capable of being adaptive to radical changes.

3. How can unpredicted radical changes be directed to anticipated changes is the tasks and the responsibility of the top management to implement a management of change by acknowledging supporting factors and barriers to the organization change.

4. Organizational change action programs should be undertaken by looking at either individual or group barriers. The salvation of change barriers requires relevant tactics and methods, especially communication intensity from and to the whole directions of organization components which is essentially the human resource development .

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