WHAT THE FUTURE HOLDS FOR NEW ZEALAND ORGANISATIONS FROM A HUMAN RESOURCE PERSPECTIVE

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Abstract

Global pressure on organisations to stay competitive requires change. Stakeholders are demanding quality and cost effective products while competitors demand level playing fields and governments require efficiency fairness and equity. The multiplicity of stakeholders is questioning the traditional hierarchical structures and demarcations of activities, functions, responsibilities and effectiveness. Empirical research was done by Nel, Burchell, du Plessis & Beaver (2005) and is reported on in this article. The research sought direction from HR practitioners as to what their profile ought to be in 2010 and beyond and what organisations should do in this regard to be sensitive to all stakeholders. Some solutions are identified and presented in this article. The traditional role and responsibilities of managers and HR managers will have to change in the future. As change agents and leaders they will have to implement programmes and practices for changes to stay globally competitive.
Keywords: Stakeholders, Quality, Effective, Responsibility, Change, Future.

1. Introduction

Rapidly changing technologies, global pressure and intense competition initiated fundamental changes in New Zealand organisations. One can say that the emphasis moved from economising to adding value because stakeholders are demanding innovation, quality and cost effective products. The competitors on the other hand are globally demanding level playing fields across cultures.

The multiple stakeholders are questioning the traditional hierarchical structures and demarcations of activities, functions, responsibilities, authority and effectiveness of organisations. To accommodate these multiple stakeholders' needs and interests, changes are then implemented.

New Zealand organisations are no longer constrained by geographical boundaries in the sharing of information and resources. Internal complexity implies that New Zealand

businesses should focus on strategic planning, line management's responsibilities, and the relationships with the employees, including a concern with the societal issues outside the organisation.

In New Zealand, the general role of human resource managers and functional line managers in organisations are not dissimilar even in slightly different ideological and cultural environments globally. The role of human resource managers within a business is, however, interdependent with that of management, because attempts to be mutually exclusive would lead to businesses being in danger of becoming dysfunctional or even vanish. There should be cooperation between line managers and human resource managers to utilise their expertise through mutual support to remain highly competitive in the business world of today and tomorrow to avoid the risk of failure. The interdependency of human resource managers and line managers is thus not as common as might be thought, generally. It is important, therefore, that managers are aware of these facts that are outlined in this research according to Du Plessis, (2009).

He is further of the opinion that businesses should address diversity in their labour force and manage it to the benefit of the organisation. Diversity allows people to stay true to the identity of their culture, heritage and themselves. A business has to accommodate and integrate various group and individual differences and norms with the goal of improving the business.

The traditional roles of managers and the role and responsibilities of human resources managers must change in the future and constitute the focus of this article in terms of empirical research executed in New Zealand. As change agents and leaders managers will have to implement all the programmes and practices for these changes to stay globally competitive.

The role of human resource managers as seen by different researchers is discussed first. Thereafter, the empirical investigation process is outlined followed by an analysis and comparison of the results. Some possible solutions are deduced from the respondent's results for use by the future human resource manager and line manager. The article is concluded with some management implications.

2. Theoretical Background

2.1 Strategic Planning and Management

Strategic management is the set of managerial decisions and actions that determines the long-run performance of an organisation according to Wheelen and Hunger (2009). The payoffs to successful strategic planning depend on a complete system of complementary practices. Culture, habits, tradition and frames of reference are human traits to bear in mind when any organisation is doing strategic planning or organisational development.

The above mentioned authors are further of the opinion that strategic management is the monitoring and evaluating of external opportunities and threats in the light of an

organisation's strength and weaknesses in order to generate and implement a new strategic direction.

Organisations need to create environments that are conducive to the growth and development of all employees. Harigopal (2001: 21-23) does not believe that a manager can be successful if such a manager is reactive and not proactive in strategic planning or any change in the organisation. Past successes do not guarantee continued success. It is sometimes necessary to act radically or even to reinvent themselves as and when necessary to succeed. This makes it imperative for organisations to understand and embrace change, their people and all its complexity and most of all to be proactive, including communicating the drivers of change to their own human resources – their staff. The respondents also regard this matter as very important.

2.2 Cultural Diversity

Cultural diversity is a reality in New Zealand workplaces and it is the responsibility of line management to get the support of their employees, their understanding and participation. Managers who were educated in the Western tradition will implement Western human resource practices in cultures, which have a different concept of people and a different regard for people in global organisations (Jackson 2002:3). He states further that unless practitioners enter a post modern reality incompatibilities will be manifested in lack of motivation and alienation, which will lead to low productivity and labour strife. Management is not doing enough strategic planning presently, according to the respondents.

Dessler, Griffiths and Lloyd-Walker (2008) reported a different view on culture changes. It is the members of the workforce who share the values, norms, beliefs and perceptions. The cultural elements are taken for granted and serve to guide member's perceptions, thoughts and actions. Culture changes require vision, leadership and skilled human resource professionals to make it happen. It is therefore not just the Western tradition that will shape the culture in the organisation, but the members of the workforce. When a new organisation is established, the founder usually shapes the culture to support the business.

2.3 Roles and Activities of Managers

Managers and employees have different roles in the organisation; therefore they have different rights and responsibilities. According to Nel, van Dyk, Haasbroek, Schultz, Sono, Werner (2008) management has the exclusive right, amongst others, to determine the objectives of the organisation, product policies, plan and implementation of policies, provide financial and material resources, determine work standards and to manage the organisation. They also refer to shared rights with employees such as recruiting and appointing of workers, assigning of jobs, wages, disciplining, downsizing and so forth. Managers are compelled to share information on issues affecting employees. Rights are never without obligations. Furthermore, a manager must take risks, where necessary, and be proactive rather than

reactive. The respondent's views are that line managers will have to take more responsibility in future.

2.4 Groups and Teamwork in the Organisation

Group and teamwork allow for greater participation, increased performance and ultimately influence the motivation and satisfaction of employees. However to change to a team-based structure does not guarantee success because some groups tend to be more successful than others. Stone (2008) points out that the focus on small group incentives, has increased in the past decade. It also reflects several important changes in the design and management of work. Work group effectiveness is strongly correlated with employee involvement, communication and management style. He states further that groups have the ability to increase their flexibility in job assignment by focussing on team accomplishments rather than individual ones. This promotes a strong group and team perspective rather than individual focus. The respondent's views confirmed this and will be discussed later in this article.

2.5 Social Reality, Leadership Styles and Changes

Jones (2010) refers to social reality as a humanistic view of mankind, an acceptance of different viewpoints, histories and moral codes as well as the conflicts that such acceptances engender. He is also saying that individual preferences would converge onto shared objectives. It is therefore the responsibility of management to make relations and to share feelings and constructions to create social reality. The respondents have a slightly different view on this point and regard focusing on the internal business as more important.

The controversial Business Process Reengineering (BPR) leadership style, as described by Kelemen (2003:111), is more tough, bold and determined. This leadership style is also autocratic and aggressive, in line with the unpopular, almost violent decisions that have to be made. Leaders must be highly committed and must also act as consensus seekers and must be role models for their employees. Dawson (2003: 2) supports this by pointing out that BPR has a failure rate as high as 70%. In contrast to this leadership style, Keleman (2003) refers to the Total Quality Management (TQM) style of leadership where it is aligned with a more caring and empowering style that can bring out the best in every employee. Furthermore, it sets the scene for a culture in which each individual's contribution is recognised and supports the view of the respondents where management will be more concerned with the employee's role in future (2010 and beyond).

To move from a local mindset to a more global mindset of the business and its operations, the manager or change agent must have inter-cultural skills. It is, therefore, very important for a change agent to relate to different cultures. Change agents should not see boundaries around

themselves. As a change agent the manager should take risks when required and, although being cautious, must break away from the familiar world to the more uncertain and competitive future (Dawson 2003).

Older employees can make tremendous contributions in an organisation during the change process and the implementation thereof can often be the integral elements for continuity and security for younger employees. The human resource manager can play an important role in recognising the knowledge, experience and skills of the older employees and use it to the benefit of the organisation during the changing phase. Dawson (2003) is supporting this view and is also of the opinion that the break in continuity can create uncertainty and describes it as one of the main reasons for resistance to change.

A healthy organisation is able to link the past to the present and the future with the present in dealing with change. Change in an organisation must be managed. Too much change can lead to chaos and too little change, to stagnation. Change must be constructive and not disruptive. There are two forms of change: Planned change – where change results from a deliberate decision to alter the organisation and unplanned change – where alterations may occur as a result of imposed conditions. Change is often resisted because it is perceived as leading to personal loss.

The empirical research reported on in this article sought to discover informed industry direction from human resources practitioners as to what their profile ought to be in 2010. Furthermore what organisations should do in this regard to be sensitive to line management, management concerns, internal focussing on the business needs, societal issues and its effects.

3. Problem Statement

In a future New Zealand (2010 and beyond), the anticipated changes in the business environment and globalisation are of great concern for human resource managers, line managers and business owners. The role of human resource departments and line managers in organisational development and the management of strategic changes, to stay globally competitive, are the reason for undertaking this empirical research. Some solutions are identified and presented in this article.

3.1 Goal and Objectives of Article

Conflicting pressures in the labour market have also brought the role of human resources to the fore. On the one hand current worldwide need for skills has started the so-called war for talent. Looking forward, demographers predict a long-term tightening of labour skills for the advanced economies of the world but the reverse seems to remain the case for third world countries. Mergers and acquisitions are increasingly frequent, creating huge human resource and management challenges as well. Empirical research undertaken in New Zealand (2000), to identify future changes (2010) of Human Resources in businesses is the main objective of

this article. For New Zealand businesses, managers and human resources practitioners it is vital to know about all these future changes to keep and remain globally competitive.

4. Methodology

Nel, Burchell, du Plessis & Beaver (2005) report refers to a questionnaire that was used by Burchell (2001) in association with the Human Resource Institute of New Zealand (HRINZ) to determine a future perspective on human resources in 2010 in New Zealand.

The topics covered in the questionnaire included human resource goals, roles and activities, human resources staffing and implications of changes in the business environment. The final section of the questionnaire sought to obtain demographic information from respondents (see the report of Nel, Burchell, du Plessis & Beaver (2005) for full coverage).

4.1 Data Collection

In the study done by Burchell a total of 1510 questionnaires were distributed to members of the Human Resource Institute of New Zealand (HRINZ) and 150 were returned which represents 10% of the sample. The response rate is statistically significant since 150 useable responses could be used for the data analysis. The questions indicated categories where 1 is highly dissatisfied, 2 is dissatisfied, 3 is neutral, 4 is satisfied and 5 is very satisfied, and it was expected from the respondents to choose one category. Various sections of the questionnaire were used to compile the results on strategy, line management, team/individual focus, societal issues, proactive management and management's concerns and are based on the responses with regard to the view of HR practitioners in New Zealand. For the purposes of this article, only the New Zealand's results of the survey were used and only the mentioned categories. The remaining categories are reported on in other articles.

5. Results

The completed questionnaires received from respondents were subjected to verification for accuracy before responses were collated and treated statistically using the Statistical Methods in Personal Social Services (SPSS) program. The statistical analysis was used to obtain responses in terms of the various questions vis-à-vis organisation size, occupation of respondent and so on. Furthermore a comparison of response of the respondents for current (that being 2000) and future (that being 2010) was also recorded.

Results were recorded to reflect the percentage of all respondents selecting a particular alternative for a particular organisation size or occupation in a particular occupation. Note must be taken that only the aforementioned possibilities are given in this article due to the huge research that was done and the rest are reported on in other articles. The responses were compared in terms of the 2000 result and the envisaged importance in 2010.

The profile of the respondents is spread over a wide spectrum and each respondent has some relation to HR and qualifies to give his/her view as per the questionnaire questions. The fact

that almost 68% of the respondents are human resource practitioners makes their opinions for the future role of human resources very reliable and valuable. More than two thirds of the respondents are from larger organisations (500 or more employees). The importance of this information is that most large companies in New Zealand have a human resource department. More than two thirds of the respondents in this study are therefore human resource practitioners, which make their responses very valuable and usable to predict their future role in any changes in organisations.

6. Analysis of the Results

More items and categories are covered in other conference papers and articles but for the purpose of this article, the results are presented in terms of the selected categories. The changes anticipated by the respondents for 2010 and beyond as opposed to the current situation in 2000, are reflected in this article. The results reflect the responsibility for human resources to be shared by the human resources function and line management with regard to specific responsibilities and roles of strategic planning, counselling of management, group/team focus, proactive managing of change and management's concern in an organisation. Strategic management has now developed to such an extent that its primary value is to help the organisation operate successfully in a dynamic environment. Therefore, the results also reflect the respondents' views on who takes full responsibility for the organisation as well as the strategies.

The selection criteria were the 4 & 5 groups, in other words satisfied and very satisfied for 2000 and the priority and top priority group for 2010 and beyond.

6.1 Strategic Planning

A strategy, which can be divided into sub-strategies for the different departments or functions such as production, finance and human resources, should be common in New Zealand businesses. Globally, management tend to neglect human resources as a sub-strategy. It should be included in all strategic planning. There is a shift towards this view in New Zealand by management recently, to integrate all resources and forces into appropriate strategy (Du Plessis and Beaver, 2008). Obviously synergy is obtained when resources have been combined and coordinated effectively to add extra benefit and value to the organisation. The respondents supported this statement when the question was asked if the human resources department must participate actively in strategic planning.

Just more than a third (36%) of the respondents regarded it important in 2000 with an enormous increase of 45% in 2010 to 81%. It can further be deduced that human resource practitioners want more active participation with the business strategies. Jones (2010)

supports this view of the respondents in that strategy and human resources are the factors to be considered by managers in seeking to design the best structure for an organisation. It can therefore be said that the consistency of human resource strategies is important for the success of an organisation. Top management has a difficult time organising all the varied activities, as mentioned above, and including finance, marketing and so forth.

6.2 Advice and Counselling Line Managers

New labour legislation has been promulgated since 2000 in New Zealand, but was well debated for a period of time before. It is also important to point out that the said changes had an immeasurable influence and effect on employers and employees. Organisational changes had to take place. Reengineering was done in some organisations to implement the changes in labour legislation, which lead, amongst other things, to cultural changes. On the question in terms of providing advice and council to line managers who are responsible for the effective management of all human resources, 50% of the respondents regarded it as important in 2000 and 73% in 2010. This is nearly a quarter more and it can be deduced that, with the implementation of certain labour legislation in New Zealand, the respondents anticipated these tremendous changes. It is vital for managers to transfer their newfound expertise, knowledge and skills received by training and advice to the actual work situation (Jones, 2010). It also supports what was said above about the important role and influence that those cultural issues will have on New Zealand businesses.

6.3 Group and Team Focus

With regard to group/team focus of employees, the question that was put forward to the respondents was: "Is it an HR function to focus on teams/groups of employees?" There was a very small increase of only 4% from 2000 to 2010 (43% to 47%) of the respondents who regarded it as a function of HR. What is unique to an organisation is the specific combination of cultures that meet within an organisation's boundary. A group/team has different cultures within such a team. This view of culture emphasises internal factors as important agents for change.

Du Plessis**,** Hobbs, Marshall and Paalvast (2008) state clearly that the team should have a sound infrastructure to be effective and must have a supportive human resource system. It is therefore deduced that the internal relations between management and their employees will have a slight influence on change and the culture of an organisation in the future of New Zealand businesses. One of the reasons can be because it is common in New Zealand to have smaller businesses and therefore management is in closer contact on a daily basis with their employees.

6.4 Managing Change

Another major factor in culture and organisational changes is managers must be proactive in creating and managing change. The workplace is dominated by change. Instead of stability and certainty, the organisation now offers change and uncertainty. Businesses, including their managers and employees, must continually adapt to rapid change to survive and prosper. As change agents they have a proactive role in anticipating and shaping the environment for change. The way change is introduced and implemented may be more important than the change itself.

The question to the respondents was whether HR must be proactive in creating and managing change. The respondents regard this issue as very important in their response to this question. An enormous increase of 45% in importance is anticipated by the respondents (26% in 2000 to 71% in 2010). Managers need to identify and determine what it is that is actually going to change. HR managers must therefore be proactive in all the issues regarding changes. Stone (2008) supports this by saying that implementing and managing change are critical factors to consider what the impact of change would be. Failure is almost certain if the manager is reactive in managing change.

6.5 Societal Focus

Societal focus**,** where the organisation is actively involved in addressing societal issues outside the organisation, was the question put forward to the respondents. In this research it is clear from the respondents that societal focus, outside organisations, is not regarded as a top priority issue for the future. Managers must ensure that employees understand the future business' goals and direction, the future challenges and plans, the influencing of employees' positive attitudes and identifying of business issues. Only thereafter, the organisation can address societal issues outside the organisation. This statement is supported by the response of the respondents in that only 22% regarded societal issues outside the organisation as important in 2010 against only 5% in (2000). This reflects a difference of only 17%.

It can therefore be said that the respondents want a little more involvement from businesses, in the future, in societal issues. Further support for this statement, is given by Du Plessis, Hobbs, Marshall and Paalvast (2008). They are of the opinion that businesses are not independent entities, responsible only to shareholders, but also to the society that creates and sustains them.

6.6. Concerns of Management

New realities in the organisation replace old ones by changes presenting managers with new opportunities and threats. Successful change requires unfreezing the status quo, a

movement to a new state or structure and re-freezing the new change to make it permanent. Change has to be managed because employees can perceive it as a threat to their self-interest on the one hand and on the other it can be beneficial such as a salary increase. Managers are central figures in organisational change, normally as the change agents. When the respondents were asked the question if it is a role of the HR function to represent the views and concerns of management, they responded that it would be less important in the future. The respondents anticipated a decrease from 63% in 2000, to 55% in 2010.

Nel et al (2008) believe that strategic management and planning should include strategic human resources from the outset due to the benefits for the organisation. It can therefore be deduced that management, in the contemporary business, is already having HR with its roles and functions as a business partner. Because of the global competitive environments, one can expect a new kind of manager as well as a new kind of employee in the future, in successful organisations. The smart organisation using all its human resources effectively will enjoy a competitive advantage.

7. Conclusions and Management Implications

It is concluded that the results support the fact that strategy, line management's responsibility, team and group focus, proactive management, managers' role in changes and change in organisations are of great concern to management. HR managers, including the organisation's management and their roles will undoubtedly change from 2010 and beyond and the manager of the future will have to be able to cope with all these changes.
Jones (2010) is very clear that strategy and HR are the factors to be considered by managers when they design the organisational structure. It is not just the role and responsibilities of human resources managers that will change in the future but also the traditional roles of managers. They will have to be the change agents and leaders with the implementation of all the programmes and practices for these changes.
With the political sensitivity and correctness in New Zealand presently, managers will have to be sensitive in communicating and negotiating changes with employees. Unionised organisations will have to convince trade unions that the changes will be for the best of their members, to avoid labour unrest and demoralised union members. They will also have to keep all other stakeholders informed as business partners and ensure they promote their external relationships to ensure a positive workforce.

A formal group or team is a subsystem of a larger system and can easily be influenced by external conditions. Du Plessis et al (2008), suggest that a team should have a sound infrastructure and a supportive HR system to be effective. A major challenge for managers in the future will be coordinating work efforts of diverse organisational members in

accomplishing the organisational goals. The workforce and therefore the teams and groups, are more heterogeneous in terms of culture, gender, race and so forth. New Zealand has a diverse workforce coming from countries worldwide. New Zealand businesses employ thousands of these foreign citizens and it becomes a very difficult task for any manager to accommodate all cultures. The future manager, therefore, will have to be ultra sensitive to each and every culture.

Implementing and managing change are two critical factors that are pointed out by Stone (2008), when considering what the impact of change would be on a business and its stakeholders. A new kind of manager and employee can be expected in successful organisations. The manager will have to learn new skills and, amongst others, to become a competent leader who will have the capacity to lead their team to outgrow their rivals.

Groups with interest in the activities of the business that affect or are affected by the achievement of the business' goals are the stakeholders. The question can well be asked to whom must the business be responsible – only to one group of the stakeholders or to all of them? Businesses are not independent entities and they are therefore responsible also to the society who creates and sustains it (Du Plessis et al 2008). A strategic decision can create conflict between stakeholders because there is such a wide range of interests and concerns present in a business. Most probably, one of the stakeholders will be dissatisfied with the business' activities or decisions. Managers will have to realise this before they make any strategic decision and they should consider all the alternatives and the affect it will have on all the stakeholders. Nel et al (2008) are clear on this aspect in saying that strategy and planning should include strategic HR from the outset due to the benefits for the business. The successful manager, and therefore successful businesses, will have to have the ability to respond to the pace of the change to make that things happen in the future.

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