

Bridging the Existing Gap Between Human Resource Management Function (HRMF) and Enterprise Management (EM) in Nigeria

Benjamin J. Inyang

Department of Business Management, University of Calabar, P.M.B. 1115 Calabar, Nigeria

Abstract: HRM first emerged as a clearly defined concept in the mid 1980s as a natural development of personnel management. Despite its centrality in organizational life, as people-management activity and its evident impact on enterprise performance and competitiveness, many organizations or corporate executives in Nigeria are yet to integrate the HRMF with EM, with the resultant gulf existing between the 2. The study argued for the bridging of this gap, which is reflected in the non-involvement of HR practitioner in central organizational decision-making processes, inappropriate placement, the relegation of the human resource function to a second fiddle position, the slim promotional prospects opened to the HR practitioner and the problem of status identity for HRM. The consequences of this gap for the HR professional, other professionals and the organization were noted. Different strategic options of integration-business partnership, appropriate placement, role re-definition, high knowledgeability and professionalization, were identified. A paradigm shift canvassed to provide new strategic roles and proactive disposition to handle the new challenges of the HRM.

Key words: Human resource management, human resource management function, enterprise management, strategic options, human capital, intellectual capital, Nigeria

INTRODUCTION

The increasing popularity of the human resource management function in organizations in Nigeria is a recent development, which can conveniently be dated to the last 2 decades. For example, the major reorganization of the Nigerian public service in 1988, which led to the enactment of the Civil Service Reforms Decree No. 43 of 1988 (abrogated in 1995) recognized the strategic role of the human resource management function and for the first time, created the separate directorate of personnel to handle this responsibility. This watershed development stimulated more interest in human resource management practices in organizations. Corporate executives in most public and private sector organizations often regarded material and financial resources as the most important assets, in their organizations. It took them quite sometime to realize the significant role of human resource and that it is indeed, the very necessary and essential resource that energizes all other material and financial resources, to enable the organization achieve its objectives. Mathis and Mathis (1982) note that, "the successful management of human resources is one of the keys to the effective operation of an organization. Managers in both the private and public sectors must all tap, the talents of their human resources if they are to be successful, if the organizations are to accomplish their objectives".

Apparently, even with this realization, the HRMF has not been sufficiently, integrated into the main scheme of

enterprise management in Nigeria. In most cases, the HRMF is found in the periphery of enterprise management, where the contribution of the human resource practitioner is hardly recognized since he has no opportunity of participating in the formulation of business strategies or decisions affecting the organization. In effect, there is a big gap existing between popular declarations and practice, that is, between HRMF and EM. The HRMF is concerned with people-based activities and processes undertaken by the human resource professional, which give the organization a competitive advantage and improve employees' wellbeing. EM simply refers to the top management or central authority that provides strategic directions and formulate policies for the organization.

This study attempts to address these pertinent issues: the existing gap between HRMF and EM, the consequences of the existing gap, the strategies for integrating HRMF with EM and the shift in paradigm concerning human resource management and the future role. A concluding comment is also presented.

UNDERSTANDING HUMAN RESOURCE MANAGEMENT (HRM)

A pertinent starting in this analysis is to define the concept of human resource management to enable one appreciates its strategic role as the people dimension activity in the organization. In its simplest

conceptualization, Bateman and Zeithaml (1993) define HRM as the formal systems for the management of people within the organization. Many concerns are implied in this management function as defined by the authors, for example, managing employees, training and development, staff motivation, enhanced employee commitment and quality performance, etc. Armstrong (2004) considers HRM as a strategic and coherent approach to the management of an organization's most valued assets: the people working there who individually and collectively contribute to the achievement of its objectives. Similarly, Inyang (2001) considers HRM as set of organization-wide and people-oriented functions or activities deliberately designed to influence the effectiveness of employees in the organization. It is an organization's activities, which are directed at attracting, developing and maintaining and effective workforce. On their part, Jackson and Schuler (1995) consider HRM as an umbrella term that encompasses a system that attracts, develops, motivates and retains employees who ensure the effective functioning and survival of the organization and its members.

From these plethora of definitions and other such considerations of HRM by several other scholars, is the common concern and the attempt by management to develop, acquire and put human energy into productive use on a continuous basis, for the benefits and sustenance of the organization employees, organization itself and society at large. The human resource therefore becomes a strategic resource that has to be planned for, managed and sustained. Oribabor (2000) adumbrates this when he argued that the human resource has become re-organized as a strategic resource to be managed in more explicit and proactive manner to enhance the survival and growth of organizations of both public and private nomenclature.

There is a growing literature to support that HRM can impact on organizational performance and lead to sustained competitive advantage (Arthur, 1994; Pfeffer, 1995, 1998; Huselid, 1995; Huselid and Becker, 1996; Luthans, 1998; Guest *et al.*, 2000; Boxall, 2003; Ahmad and Schroeder, 2003; Ramlall, 2003; Purcell *et al.*, 2003; Mann, 2006; Kaya, 2006; Carlson *et al.*, 2006). The concept of human resource as a source of competitive advantage implies that people have competencies, experiences and knowledges that provide economic value to the company (Lawson and Hepp, 2001). Organizations have obvious justification or reasons for developing and maintaining effective and robust human resource management practices. Some of the human resource management functions (HRMF) are:

- The HRM activities enable management to achieve organizational goals through its workforce.
- The HRM activities help to utilize people to their full capacity and potential.
- These activities help to foster commitment from individuals to the success of the organization through quality orientation in their performance and that of the whole organization.
- Integrating human resource policies with business plan helps to reinforce an appropriate culture or as necessary, reshape an inappropriate culture.
- HRM activities establish an environment in which the talent, creativity and energy of employees will be unleashed.
- HRM creates conditions in which, innovation, teamwork and total quality can flourish.
- HRM encourages willingness to operate flexibly in the interest of the adaptive organization and the pursuit of excellence.
- The modern HRMF is fast developing into a science of human engineering. The HRM practitioner is developing more systematic strategies to transform the environment of work enabling people contribute to their maximum potential. Despite this strategic position of the human resource professional, many organizations have not considered it expedient to integrate this function into enterprise management (EM) thus a discernable gap exists.

EXISTING GAP BETWEEN HRMF AND EM

The gulf that exists in the relationship of HRMF and EM in Nigeria is quite obvious in many corporate organizations. Alo (1999) identifies 4 tendencies as evidence of the failure to bring HRMF into the mainstream of enterprise management in the country:

- The non-involvement of the human resource practitioner in business decisions or strategy formulation in many of our organizations. The practitioner may simply be contacted at the point of implementation, where he is often charged with the onerous responsibility of supporting the implementation regime to the business strategies. Not being involved in such a strategic decision making exercise, the human resource practitioner may be less concerned and committed. This would definitely affect the degree of success in decision implementation.
- The hierarchical placement of the human resource manager in the organization structure is another

issue. The tendency to place the human resource manager in a subordinate position to other functional managers in the organization and to report through another professional (e.g., an Accountant) facilitates the widening of this gap. Such professionals (in their own right) may not be well versed with human resource issues and to properly articulate them to management to achieve the desired effects.

- In many organizations the human resource function is given a second fiddle position and the department becomes a dumping ground, where people with little or no professional training are appointed to head. Quite often supervisors of intermediate staff from general administration are given this portfolio and saddled with the human resource responsibilities. According to Aswathappa (2004), “the personnel department [the precursor to HRM] itself was not treated with respect. It was filled with not-very-productive employees whose services could be spared with minimal damage to the organization’s ongoing operations. It was never considered a part of the strategic management of businesses”.
- The slim promotional prospects opened to the HR practitioners constitute another sore area. We have few cases to point to in the Nigerian industrial landscape, where few professional human resource practitioners become chief executive officers. Many professionals tend to see their function as having promotion ceiling. Top management does not help matter by creating the enabling environment for advancement like is opened to managers in the other functional disciplines in management.

Beyond the above tendencies, another equally important factor in the creation of this gulf is that of status identity for HRM. The apron-like attachment of HRM (formerly personnel management) to general administration still exists in many organizations and this has tended to affect full integration of the function with enterprise management. Status identity or recognition of HRM is therefore problematic, leading to the existing gulf in relationship with management.

For example, the personnel management responsibility in the Nigeria Civil Service was previously considered under general administration. It was the 1988 Civil Service Reforms that created a separate department or directorate of personnel saddled with the HRM function. Aidelokhai (2008) notes that: “The 1988 Civil Service Reforms of the Nigerian Civil Services rationalize the professional character and authority patterns of the civil services along business lines to make them more result-oriented”.

HRM first emerged as a clearly defined concept in the mid 1980s. The foremost American academics to write about the concept were Beer *et al.*, (1984) and Fombrun *et al.*, (1984), followed later by several American and British Scholars (Walton, 1985; Storey, 1989, 1993; Armstrong, 1987; Guest, 1987, 1989; Legge, 1989; Sisson, 1990; Purcell, 1993; Hendry and Pettigrew, 1990). These scholars have made significant contributions to the development of the theory and practice of HRM. This development no doubt influenced the American society for Personnel Administration (ASPA), the largest professional association in this field of management, to change its name, to the society for Human Resource Management (SHRM) in 1990. HRM concept is gradually gaining ascendancy over the traditional personnel management.

Controversies have however trailed the emergence of this concept as some scholars equate HRM with personnel management concerned with providing staff support in the organization (Guest, 1989). Other scholars consider HRM as a natural development of personnel management practices in the face of changing economic and business environment (Armstrong, 1987; 2004; Torrington, 1989; Fajana, 2002). This controversy has implications for status identity of HRM. Many organizations are yet to come to term with the concept of HRM as a more strategic activity and more in tune with the realities of organizational life than the traditional personnel management. This rather slow acceptance and embrace of the concept of HRM has further implications for widening the gap in the relationship of HRMF and EM.

Some scholars have attempted to trace the provenance of the gap between HRMF and EM. Twigg and Albon (1992) have offered one of the most exciting explanations. The authors first looked at the differences in the areas of interest of business managers and human resource managers as shown in Table 1.

The second point of differences identified by the authors is the fundamental difference in background, training and values between the business manager and the human resource manager. Table 2 displays the stereotypes of the 2 groups.

Table 1: Areas of interest: business managers and HR managers

Business managers own	HR managers own
Strategy	Training plans
Profit and investment	Training budgets
Business processes and systems	Process Intervention (courses, education, seminars and workshops)
Career decisions	Career planning procedures
Appraisal and reward decisions	Appraisal records

Table 2: Stereotypes of business manager and HR manager

A business manager stereotype	A HR manager stereotype
Profit centre or earnings per share responsibility	Budget holding responsibilities
Strongly cost conscious	More focused on people than costs
Strong short-term focus with a variable strength of longer term focusing	Concern with development leading to a longer term focus
Interpretation of human motivation/behaviour founded upon behaviour on rules of founded thumb based on practical experience	Interpretation of human motivation/behaviour founded upon behavioural science
High pay linked to business performance which can be influenced directly	Lower pay with any bonus linked with HR management objectives rather than business objectives
High power and direct authority can make things happen	Influences events indirectly and through others
Focus on technology and business change and personal empowerment systems, hence views programmes such as TQM as 'methods and technologies'.	Focus on people and social systems, hence views programmes such as TQM as culture systems, hence views programmes

CONSEQUENCES OF THE EXISTING GAP

There is no doubt that the failure to integrate HRMF into the central enterprise management has obvious consequences for the individual HR practitioner, other professionals in the organization and in deed, the entire organization.

For the individual human resource manager, he finds himself an alienated professional, who experiences general frustration, dissatisfaction and sometimes confusion, low morale, strained relationship, etc. (Nwagbo, 1995). In many situations, top management through this non-involvement of the HR practitioner makes costly mistakes in strategic decision-making.

Similarly, other professionals in the organization are unable to tap the creative potentials of the professional in human management since there is no effective integration and a gulf exists. In fact, organizational activities require teamwork and synergy to create the desired impact. Where this is lacking, results are difficult to achieve in the organization.

The bottom line in the failure to bring the HRMF into EM is that the organization suffers. The organization is unable to gain benefits, which are inherent in the energy, talents and creativity of human resource, which is properly managed and harnessed (Alo, 1999). In fact, the human resource has limitless potentials to create, innovate and improve performance. The manager must endeavour to understand these people, their nature, behavioural nuisances, attitudes and orientations and tap as much of these resources for the benefits of the organization and the employees. To effect the desired integration means strategically positioning the human resource function in the organization. Any organization that embraces a strategic human resource policy focus will, according to Etukudo (1999), seeing people as a strategic resource in securing competitive advantage, utilizing manpower planning to ensure an appropriate fit between employment practices and business policy and designing a coherent employment policy to meet the

business goals. Arguing for the business partner case of the HRM, Chiavenato (2001) states that the employees are now considered active and proactive agents of the business they manage together. He further notes that the employees are purveyors of activities and knowledge whose most important contributions in the organization are their intelligence and individual talents.

The modern organizations have the onerous responsibility to develop winning strategies so as to remain in business in this world of competition. Such strategies must encompass calculated attempts to develop strategic missions with in-built motivating factors for effective human resourcing so as to achieve the goals and objectives of the organization and to maintain a competitive advantage and growth in the line of business undertakings (Akeh, 2004). Hendry and Pettigrew (1986) have similarly shown that people are a strategic resource for the achievement of competitive advantage. This makes the case for integrating HRMF with EM an imperative that must be achieved for the overall health of the organization.

STRATEGIES FOR INTEGRATING HRMF WITH EM

To avoid the above consequences and give deserved status recognition to the HRMF in the organization and properly integrating it to, EM will require the adoption of certain strategic options. Walker (1994) aptly notes; There is no longer a choice. Human resource activities in a company must directly support business strategy- and the satisfaction of customer needs. It is not enough for the human resource to be responsive to management, customer-oriented, or even aligned as partners with management. The function is an integral part of management-leading and implementing needed change.

First, the human resource practitioner should be seen as part of the team and co-opted into business policy planning or strategic decision-making process. He should not be seen only as a nominal figure or an appendage to

be involved only at the implementation stage of decisions in the organization. The human resource manager must be made to have a sense of belonging in the scheme of things and commitment and loyalty will flow on his part. All organization decisions have direct bearing on human beings, hence the need to involve experts in people-management in both the formulation and implementation stages of these decisions. According to Walker (1994) today, virtually all business issues have people implications; all human resource issues have business implications. Rowden (1999) considers that Tomorrow's competitive business environment will include HR as a strategic business partner and a bottom-line decision-maker.

The second strategy is creating opportunity for appropriate placement of the HR manager in the organization structure, with well-defined promotion prospects. He should be given opportunity for top-level attention to human resources issues affecting the organization. Every manager needs this recognition and knowing one's worth and contribution in an organization, is intrinsically rewarding and a source of motivation and job satisfaction. These are valued positive job attitudes that must be encouraged to enhance enterprise productivity. Kates and Kates (2006) in their presentation of the emerging solutions centre model rather than the business partner model of HRM argue the need for redefinition of the work of the HRM to allow a more strategic focus on talent management and organizational capability, systematization and control of the cost of transactional work. The authors further argue for the configuration of new complex HR organizations where the HRM practitioners would function to best achieve these goals. This has implications for the elevation of the HRM professional to appropriate status in the organizational hierarchy.

A third strategy to consider in making HRMF central in EM is to re-define the role of the human resource management in the running of the organization. The human resource manager should be seen as a change agent. Any organization can survive in today's socio-economic environment if it is proactive to environment changes. Advances in information technology are forcing organizations to change their ways of thinking. The concepts of learning organization (organization that learns from experience), managing organizational change, managing diversity, etc., are being increasingly encountered. The human resource practitioner should be at the vanguard to champion the organization's efforts to handle these important issues effectively. In fact, human resource practitioners are constantly being called upon to provide leadership and support in tracking people related

business issues capable of constraining strategies for management effectiveness. Key issues of strategic nature often addressed include organizational manpower planning, quality culture, restructuring, downsizing, re-skilling, mergers or acquisitions and other areas that affect the quality of work life (Mohammed, 1999).

The 4th issue to consider in another breath, in making the HRMF central in EM, is the need to ensure internal consistency in human resources management strategies, policies and plans. For example, in handling performance appraisal, the HR practitioner must ensure that the scheme measures performance against set standards, measures the same things that the development programme of the organization sets out to develop and the same things that the remuneration seeks to reward. This internal consistency, which is required, is synchronizing human resource processes. Importantly to, concerted effort must be made to ensure that the human resource strategies, policies and plans support the business policies, strategies and plans of the organization.

A further strategy to achieve this integration is for the individual human resource practitioner to think of expanding his horizon of knowledge about the significant issues affecting organization. He needs to acquire additional skills and become information communication and technology complaint or simply computer literate, take more interest in business issues and project himself by being adequately informed through reading widely and attendance at seminars, workshops and conferences etc., to be more relevant and involved in organization engineering activities or efforts. Alo (1999) captures this essence when he states that the human resource executive must be perceived as equal by their counterparts in other functional units [and] this is unlikely to happen unless human resource executives demonstrate a thorough understanding of the competitive climate, product options, cost constraints, marketing characteristic and all of the aspects of productivity and profitability affecting their organization.

Finally, the Chartered Institute of Personnel Management of Nigeria (CIPM) which is charged with, among other responsibilities the duty of: Determining the standard of knowledge and skills to be attained by persons seeking to become registered as personnel management practitioners and raising those standards from time to time as circumstance may permit, has a role to play in making the human resources function central in enterprise management in Nigeria. It must provide the opportunity for achieving high professional standards and professional ethics among practitioners and provide continuing training for members to update their knowledge about current HRM issues. Design

programmes to help them participate in current debates, including among other debates about national budgets, privatization, foreign investment in the community, the formulation of a national manpower plan for the country and so on.

THE SHIFT IN PARADIGM: HRM AND THE FUTURE ROLE

The shift in paradigm is necessary because of the increasing significance of the human resource function in the modern organization. The human factor is an important variable in the life of an organization. The survival of any organization-public or private depends on the resource that is available to facilitate organizational functioning and operations. Banjoko (1996) captures this essence thus: central to the growth, viability and survival of any organization, be it private or public, manufacturing, or non manufacturing, is the effective acquisition, utilization and maintenance of the organization's human resource. Similarly, Peter and Waterman (1982) state that, if you want productive and financial reward that goes with it, you must treat your workers as your most important asset. The human resource has limitless potentials to create, innovate and improve performance in the organization (Inyang, 2000). According to Achareke (1999) the quality of human resource is the main distinguishing feature between a progressive organization and a retrogressive one, between a developed nation and underdeveloped one.

The chief executive officers must begin to urgently unchain themselves from the cloak of traditional management thinking of seeing HRMF as an appendage to general management. They need to adopt the best management practice of bringing the HRMF to central management. The benefits derivable in the shift in paradigm are many-to the individual HR manager, professional colleagues and the organization-in terms of enhanced enterprise productivity. This required integration would reposition the human resource manager strategically in the organization to be able to face future challenges. The HR practitioner is certainly going to find himself performing more challenging roles in an increasingly complex organizational setting and the global business environment. According to Chiavenato (2001) the world of human resource management is changing more rapidly than we can imagine. Constant environmental changes mean that human resource managers face constant challenges. They must respond by taking advantage of gradual yet profound changes in the nature of the field, current practices and overall human resource management policies, mission and vision.

There are several roles the HR practitioner will have to play in the face of changing organizational realities. As organizations passed through the process of transformation in the recent years, the HRMF or work is being redefined to focus more on critical issues of the day, that would propel the organization to achieve competitive advantage. Yeung *et al.* (1996) argue that without aligning the skills of HR professionals with the changing HR visions, strategies, structures, systems and processes, it is inevitable that the transformation of HR formation will be crippled. Ulrich (1997) argues that the HR professionals undertake the following proactive roles as champions of competitiveness in creating and delivering value in the organization.

Becoming a partner in strategy execution: Strategy formulation is usually the responsibility of top management, or the executive team-which the HR is a member. The HR executives as strategic partners with senior management should impel and guide serious discussions on how the company should be organized to carry out its strategy. HR practitioner should be held responsible for defining an organizational architecture-that is, identifying the organization's way of doing business. Such framework as looking at the organizational components-strategy, structure, rewards, processes, people, style and shared values may be adopted. This new knowledge will allow HR to add value to the executive team with confidence.

Becoming an administrative expert: HR professionals are traditionally seen as administrators. But in their new administrative expert role, the HR staff will have to improve the efficiency of both their own function and the entire organization. As administrative experts, they must rethink how work is done throughout the organization.

Becoming an employee champion: Organizations cannot achieve results unless their employees are engaged fully. In its new role, HR professional must take responsibility for orienting and training line managers about the importance of high employee morale and how to create it. He should be the employees' voice in management discussions, offer employees opportunities for personal and professional growth; provide resources that employees need to meet the demands put on them. The new role might also involve suggesting, that employees be given more control over their own work schedules. This is the issue of employee empowerment.

Becoming a change agent: Change is a fact of organizational life. Through globalization, technological

innovation and information access business organizations are facing serious and constant change. The HR practitioner has the responsibility of building the organization's capacity to embrace and capitalize on change. He has to make sure that change initiatives are focused on creating high-performing teams in the organization; reducing cycle time for innovation, or implementing new technology and properly defined, developed and delivered in a timely way. Change sometime scares people into inaction. The HR professional's role as a change agent is to replace resistance with resolve, planning with results and fear of change with excitement about its possibilities. As a change agent the HR practitioner does not himself execute change-but the makes sure that it is carried out.

Similarly, Reilly (2000) ascribed 3 new roles to the HR practitioner:

- As the strategist/integrator who is most likely to make the longest-term strategic contribution in the organization.
- As the administrator/controller who is likely to make a largely tactical short-term contribution.
- The adviser/consultant whose role falls between the 2.
- Caldwell (2001) who concentrates on the role of HR managers as organizational change agents identifies 4 types:
 - Change champions who are involved in envisioning, leading or implementing strategic change.
 - Change adaptors who act as reactive pragmatists, adapt their visions to the realities of the organization and view organizational change as a slow iterative process.
 - Change consultants who implement a discrete change project or the key stages of an HR change initiative.
 - Change synergists who are involved in strategically co-ordinating, integrating and delivering large scale and multiple change projects across the whole organization.
- Walker (1994) arguing for the integration of human resources with the business identifies the following primary characteristics of the future human resource function:
 - Integrating people-related business issues and strategies with business strategy.
 - Integrating human resource processes with management processes-enabling managers to manage people effectively by focusing on ways to increase organizational effectiveness.

- Integrating the human resource staff function with the business -redefining its organization, roles and capabilities.
- Integrating human resource measures with business-focusing on the business impact of actions.

In fact, several corporate organizations the world over are rapidly adopting changes in these areas to enhance competitive success in effectively managing people (Walker, 1992; Ulrich and Lake, 1990; Schuler and Walker, 1990). These critical roles the HR practitioners have to perform will help meet the emerging challenges in the modern organizations, deliver results that enrich the organizational value to customers, investors and employees.

From the discussion above, we can distil the following challenges constituting the future agenda for the HR professional especially within the Nigerian context:

- Commitment to change.
- National drive for high quality and disciplined workers.
- Fairness and equity in employment contract/practice.
- Institute high professional standards.
- New impetus of training and development.
- New motivational techniques.
- Empathy and compassion in the management of people.
- Mentoring and coaching.
- Issues of ethics.
- Application of information technology.
- Re-engineering and right sizing.
- New organization of work.
- Understanding human factor as human capital /intellectual capital.

Anugwom (2007) summarizes the challenging problems confronting the Nigerian human capital manager in the 21st Century in 5 major areas such as technological, economic, demographic, professional and organizational.

Technological challenges: Technology is one of the pervasive elements in our environment, which enhances the transformation process- of converting inputs into outputs. Technology simply involves the use of knowledge, materials, techniques, processes, procedures and methods to create something new. The human resource practitioner must keep pace with technological developments and encourage organizational members to take advantage of emerging technologies to transform the organization for better results.

Economic challenges: The state of the economy poses serious challenges to the HR practitioner. Unlike a vibrant economy, which brings about reasonable and satisfactory level of employment and good working conditions, economic recession results in crises of unemployment, inflation, union agitation, leading further to retrenchment, downsizing and rightsizing. All these, problem pose serious challenges to the human capital manager of an organization. The HR manager must ensure that the benefits or incentives that the reward system offers are competitive and motivating to be able to attract and retain highly skilled manpower.

Demographic challenges: The demographic challenges are in the area of changes in population, its structure, urban and rural migration and emigration. For example, the issue of brain drain where our highly skilled manpower go overseas for greener pastures, calls for urgent need for accelerated training and succession planning in response to these structural changes in the workforce. These pose serious challenges for the human capital manager.

Professional challenges: The challenge here before the human capital manager is in promoting life long learning and providing activities so that the workforce can continuously update their knowledge in preparation of the much needed skills in the new knowledge-based economy in the future. The organization is becoming increasingly competitive in the market place; to be relevant therefore, the organization human capital development needs to become more dynamic, flexible, innovative and productive in order to compete favourably in the economy. The human capital manager must be in the vanguard of promoting high ethical standards of conduct-not compromising on integrity, honesty, openness, right values and accountability.

Organizational challenges: The challenges will focus on how best to attract and retain highly skilled workforce, with creativity and flexibility as the key to organization's success. The other challenging problem is how best to assess the skills of the workforce, design learning and performance programmes that will develop employees and align their individual career path in line with company's career opportunities.

In handling these challenges the human resource practitioners must become highly knowledgeable. They need to broaden their horizons, seek more knowledge and information to manage the intellectual capital effectively. This requires people who are multi-skilled, self-responsible, visionary and able to learn, to handle, to lead the organization to access. Yeung *et al.* (1996) identify the following core competencies that every effective HR professionals should develop:

Business knowledge: Capacity to understand competitive issues impacting the business (e.g., market, products, technology, processes) and to understand how business can create profit and value.

Customer orientation: Ability to viewing issues from the perspective of customers.

Effective communication: The ability to provide both verbal and written information clearly, consistently and persuasively.

Credibility and integrity: To walk what you talk, act with integrity in all business transaction and honour personal commitments.

Systemic perspective: The ability to view problems and issues in the context of the bigger picture and understand the inter-relationships among sub-components.

Negotiation and conflict resolution skills: The capacity to reach agreements and consensus in spite of different goals and priorities.

Another prerequisite for effective handling of these challenges is the need for the HR professional to rethink the manpower concept. We are witnessing the emergence of what is now called human capital or intellectual capital in the 21st century. The 19th and 20th centuries considered manpower as personnel (people) and human resources respectively and as the focus of attention. Human capital is about the vitality of the workforce represented by ability, experience, skills and knowledge, which gives, the organization its distinctive character. Intellectual capital is about the existence of certain individuals performing specific assignments in the organization (Inyang, 2000). It is also, the stocks and flows of knowledge available to an organization. These can be regarded as intangible resources which, together with tangible resources (money and physical assets), comprise the market or total value of a business (Armstrong, 2004).

According to Alo (2000), the preference for the use of the term human capital in place of human resource is to draw attention to the centrality of that resource in every aspect of production and the need to accord its management the same, if not higher level care and attention than we traditionally accorded our fixed capital (assets). Chinsman (1996) notes that human acquisition of knowledge, skills and abilities that sustain economic productivity amounts to human capital. With the emergence of the human capital and intellectual capital concepts, the need to rethink the best way to manage these resources becomes urgent. According to Schiemann

(2006), human capital attracts the largest investment in the organization and it presents the most difficult management challenges of how to maximize return on investment and attain higher performance from human capital. Organizations have to develop techniques of capturing individual knowledge and retaining this knowledge for continuous use even after the individual departs the organization. The knowledge management process should be embraced to achieve this objective. Knowledge management is considered as the process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations (Scarborough et al., 1999). Knowledge management strategies promote the sharing of knowledge by linking people with people and by linking them to information so that they learn from documented experiences. According to Stewart and Kinnie (2003), Knowledge-intensive firms need to share knowledge held by employees if they are to gain the most from their intellectual capital and compete effectively in the marketplace. Natarajan and Shekar (2000) present valuable insights to support the fact that knowledge management, when successfully implemented, enhances business growth. Bognar and Bansal (2007) see knowledge management as the basis of sustained high performance in the organization.

CONCLUSION

The HRM, which first emerged, as a clearly defined concept in the mid 1980s was a natural development of personnel management. But while personnel management was essentially concerned with providing administrative or staff support in the organization, the new concept of HRM evolved in the face of changing economic and business environment. The HRM is a more strategic activity, contributing significantly to enhance the organization's competitive position as well as individual employee's state of being in the enterprise.

Despite the available research evidences supporting HRM as a major source of competitive advantage in the organization many corporate executives in both the private and public sectors in Nigeria are yet to accord the right status to HRM. A watershed development in the country was however, the Civil Service Reforms of 1988 that recognized and elevated HRM function to a status of significance - placing it in a separate directorate or department on the same pedestal with other functional areas of management like accounts, marketing departments, etc.

The slow pace of recognition and acceptance of this strategic human resource activity has created a gulf in the

relationship between HRMF and EM. The consequences of this gulf, for e.g., the non-involvement of the HR practitioner in business decisions or strategy formulation in the organization, are legion: for the individual HR practitioner, other professionals in the organization and the organization itself. While the individual HR practitioner is alienated and frustrated in the scheme of things in the organization, other professionals are unable to tap the creative potentials of the professional human resource manager and the organization in turn is unable to gain the benefits, which are inherent in the energy, talents and creativity of the human resource.

Several strategic options have been advocated to bridge this gap and integrate the HRMF to EM to enable the organization achieve a competitive advantage. There is the urgent need for the proper placement of the HR practitioner in the organizational hierarchy and co-opting him into business policy formulation as a business partner. Other strategies involve a re-definition of the role of the HR practitioner in the running of the organization and expanding the knowledge base of the professional through training and development and involvement or membership in professional human resource bodies.

The required shift in paradigm will mean defining new roles and future challenges for the 21st century human resource manager. The human resource practitioner must be highly knowledgeable, multi-skilled and proactively positioned to handle the future challenges as a change agent, a strategic business partner and an employee champion as well as an administrative expert in the organization.

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