Dynamism in organizational Structure and Human Resource Management: An analysis

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Abstract:
The present paper analyses the nature of new organizational structure and man power management. The strategy of modern organisation is expansion of businesses. Thus they have to design an organization structure help top management identify talent that needs to be added to the company. Planning the structure ensures there are enough human resources within the company to accomplish the goals set forth in the company's annual plan. Globalization impacts on human resources. Companies competing on a global basis will need to use world class labour to obtain the quality needed for some product markets. It is found that Industry consolidation creating huge global corporations through joint ventures, mergers, alliances, and other kinds of inter organizational cooperative efforts has become increasingly important in the twenty-first century

Key words: dynamism, globalization, human resource management, organizational structure

1. Introduction

The strategy of modern organisation is expansion of businesses. Thus they have to design an organization structure help top management identify talent that needs to be added to the company. Planning the structure ensures there are enough human resources within the company to accomplish the goals set forth in the company's annual plan. Each person has a job description that outlines duties, and each job occupies its own position on the company organization chart. In this way, many organizations are restricting their organizations and administering their human resource strategically. The present paper analyses the nature of new organizational structure and man power management.

2. Organizational Structure

Organizational structure refers to the way that an organization arranges people and jobs so that its work can be performed and its goals can be met. When a work group is very small and face-to-face communication is frequent, formal structure may be unnecessary, but in a larger organization decisions have to be made about the delegation of various tasks. Thus, procedures are established that assign responsibilities for various functions. It is these decisions that determine the organizational structure

Management thought during twentieth century was influenced by Weber's ideas of bureaucracy, where power is ascribed to positions rather than to the individuals holding those positions. It also was influenced by Taylor's scientific management, or the "one best way" to accomplish a task using scientifically-determined studies of time and motion.

Also influential were Fayol's ideas of invoking unity within the chain-of-command, authority, discipline, task specialization, and other aspects of organizational power and job separation. This created the context for vertically-structured organizations characterized by distinct job classifications and top-down authority structures, or what became

known as the traditional or classical organizational structure.

3. Human resource environment

The overview of several trends and developments those are likely to affect human resources in the twenty-first century. The impact of technology on employee skill requirements and jobs was considered along with the impact on organization structures. As a result of information technology, organizations are becoming less hierarchical and more adaptive and flexible. Worker values and attitudes revealed that employees also are becoming less loyal toward their employers, more concerned with having interesting jobs that allow them to grow, and more inclined to feel that they are entitled to participate in decisions affecting them.

Managerial trends need to manage an increasingly diverse workforce and to harness its capacity for creativity. In present global scenario use of work teams and virtual teams are increasing. Team practices, such as rotating leadership responsibilities among team members based on the stage of product development cycles. The increasing practice of human resource outsourcing was described as a major change in the management of human resources. TQM is also important management strategy pioneered by Edwards Deming. The importance of the HR side of the quality equation provides HR departments with a

golden opportunity. Quality can be the "business issue" that truly brings senior managers and HR execs together to move from just HRM to strategic HRM. A major role in the quality improvement effort puts HR in a position to contribute directly and visibly to the bottom line, to add value to the company's products and services in the same way that other functions, such as sales, accounting, and production, add value.

Globalization impacts on human resources. Companies competing on a global basis will need to use world class labour to obtain the quality needed for some product markets. Moving foreign nationals across international boundaries is another approach for highly skilled individuals. Legal environment is a major consideration of strategic managers because of the plant location concerns, productivity influences and other impacts on cost structures.

4. Major areas of change in HR environment

In addition to the many challenges organizations face in abandoning traditional approaches to managing people, there are a number of critical trends affecting HR. Some of these trends pertain to changes taking place in the external environment of the organization. Others pertain to some of the ways organizations are responding internally to such trends. The major areas of change in HR environment are:

1. Technological advancement
2. New Organisational Structure
3. Change in worker values and attitudes
4. Demographic and diversity Trends
5. Globalization
6. Managerial trends
7. Trends in utilization of human resources
8. Legal environment

Figure . 1: Human resource environment
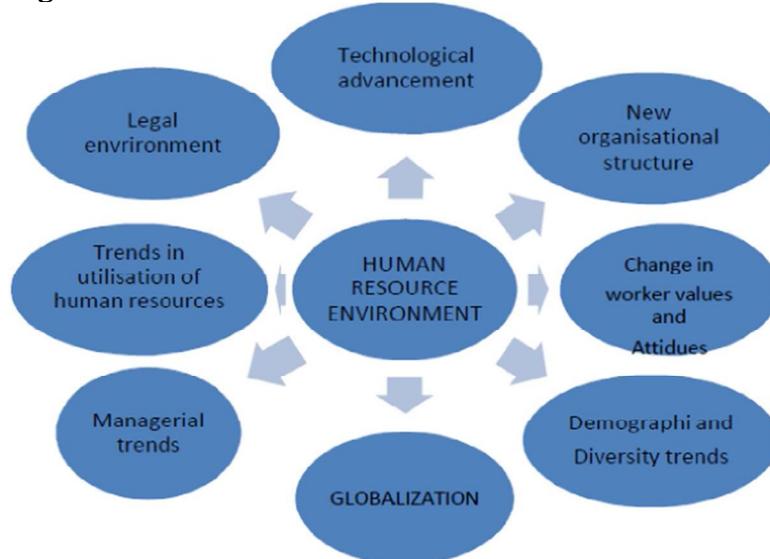
5. New Organizational Structures

Not only is the nature of work and management changing, but organizations also are changing as a result of advances in information technology. The distinctions between management and labour have become flurried. Workers are becoming increasingly responsible to act on matters that they become aware of through computerized information systems. Further, there is a shift from individual to joint accountability because more group members have the same information for decision making. Because of the knowledge power of skilled technology workers, the structure of many of today's organization is poorly suited for the future. Regardless of the exact form, many organizations have becomes much less hierarchical. More work is being performed in task force teams and project oriented work groups. Temporary organizations, such as task forces, require different managerial skills. Likewise,

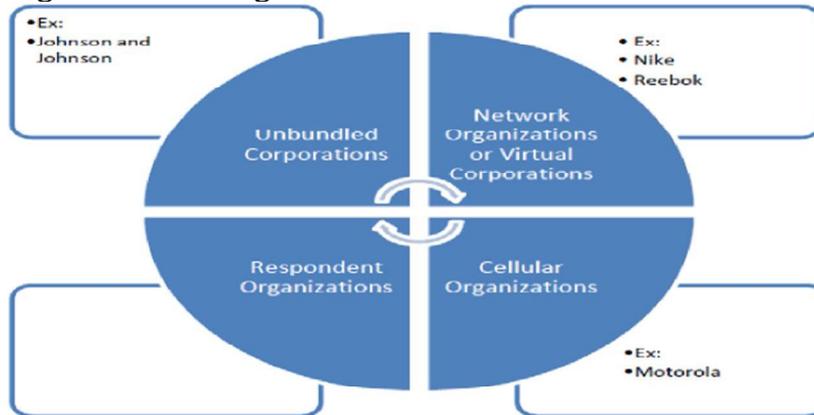Unbundled corporations
Network organizations

there is evidence that organizations are becoming more flexible, porous, and adaptive. In some, the organizational structure may become less pyramidal and more like a set of concentric circles[1]. Changes entailing more real participation de-emphasis managerial status, new forms of superior subordinate relations, and rotating leadership roles require different managerial skills. Power shifts from one part of the organization to another as tasks deemed[2]. Most companies cannot take for granted the emergence of managers with the skills to operate in such environments. As a result, their members and skill requirements must be anticipated and developmental experiences planned so that the organization will have an adequate number on hand when the need emerges. There are other views on the structure of future organizations. Aside from the structural changes noted, there are four new structural forms of interest:

Cellular organization
Respondent organizations

All four forms have the ability to adapt to rapidly changing conditions

characteristic of the present and likely for the future[3].

Figure. 2 : New organizational structures

A.   Unbundled Corporations

Essentially, unbundled corporations employ a portfolio or conglomerate approach toward business units. As a result, units are retained or divested according to profitability and risk criteria. An example of an unbundled corporation is Johnson & Johnson, which has 190 autonomous operating companies in 51 countries. Johnson & Johnson had over 100 consecutive years of profitability and has achieved exceptional growth[4]. The following provides an indication of its willingness to add or divest units based on their performance:

Over the past 10 years , through ongoing mergers and acquisitions, they have added nearly 50 companies and product lines. More than one third of each year's sales come from new products introduced within the past five years and from existing products launched into new markets[5].

In unbundled organizations, many of the traditional support services of bureaucracies are outsourced to consultants and vendors. For example, some traditional human resource management functions such as training are performed by vendors, along with some compensation and payroll functions. An advantage results from the potential to redeploy resources rapidly to more profitable alternatives. In addition, developing managers have more opportunities to exercise general managerial skills in running relatively autonomous business units that function as profit centres. For a small group of fortunate employees who form the core unit of the unbundled corporations there some job squints. These units, which may be quite small, are composed of high

impact employees who coordinate the work of vendors, manage change and manage the portfolio of business units[6].

While the jobs of the core of permanent employees are more protected, there is lower commitment to the employees of the peripheral units. Essentially, some of the employment security of the core employees comes at the expense of the peripheral's employees. Other implication for human resource strategy are that some of the benefits of using temporary employees may be offset by the reduced control and inefficiencies of dealing with " employees" through a vendor/supplier relationship. Further, when scarce labour is involved, the wage savings of unbundling may be wiped out by the increased costs of components purchased from vendors who must employ such labours[7].

B.   Network Organizations or Virtual Corporations

Charles snow, Raymond Niles and Henry Coleman have used the term network organizations to describe organizations that are similar to unbundled corporations. (They refer to unbundled corporations, consisting of one corporate unit with multiple autonomous units, such as Johnson & Johnson, as internal network). One of the driving forces from the evolution or creation of network organizations is the need to outsource activities that other companies, consultants, or joint venture partners can perform better or more quickly. The term virtual corporation also has been used to describe similar organizations in which there is heavy reliance on outsourcing and a critical

need for speed membership of the network may include companies from throughout the work. Like unbundled corporations, network organizations also have a permanent core member that performs a broker role. However, the non-core network member or broker may replace network components with some frequency. For example, a member of a dynamic network performing a manufacturing role may be replaced because its production facilities cannot handle a new product design preferred by customers. However, with the stable network form, the organization retains the component members for long periods of time[8].

The managerial requirements in network organizations are somewhat unique and include :
Referral skills, as needed for guiding problems to network components where there are solutions;
Partnering skills, such as problem solving or negotiating for outcomes that are beneficial to all parties, and

Relationship management, such as being offensive to customer's and partner's needs[9].

C.   Cellular Organizations

Another structural form is called the cellular organization, which has some similarities with classical guilds. Such organizations are typically groups of small technology oriented companies that maintain affiliations over time. Employees of these companies are predominantly technical professionals. Subsets of the organization companies join forces on various projects when their unique skills and capabilities are needed.

One company takes the leadership role depending on the nature of the project. Individual companies also may join projects even when they only what to learn about a new technology that may be involved. The skills required of managers in cellular organizations are technical knowledge cross-functional experience, international experience, collaborative leadership, Sub-management skills and flexibility[10].

D. Respondents Organizations

Another structural form, the respondent organization, is essentially an entrepreneurial corporation that exists by filling niches to supply customized services to unbundled corporations and bureaucracies. In such corporations, decision making is quick and likely retained at the level of the central entrepreneurial figure. Unfortunately, these corporations are risky and have high failure rates. The positive trade-offs, from the employee's perspective, are that although there is greater risk and less individual development from participative decision making, there should be opportunities to develop as a generalist and acquire new skills as well as the potential for financial gain[11]. Some of today's smaller internet payers are respondent corporations.

6.   Trends in the utilisation of human resources in 21st century:

Internet, e-mail, fax machines, cable modems, digital subscriber lines, personal computers, other forms of telecommunications, and express mail make up of forces that have been able to relocate geographically while continuing to perform the same work for their employers via telecommunications technology.

Figure .3   Trends in the Utilization of Human Resources

Telecommuting: Telecommuting or telecommunicating does not necessarily involve geographic relocation but simply involves working at home at least part of the time. In recent years, the number of workers who telecommute has increased dramatically, with estimates of more than ten million of working at least 20 percent of the time at home. Telecommuting is thought to bring several individual benefits, including savings from the avoidance of commuting as well as at-home child care. Use of working for multiple employers, access to jobs by disabled workers and style advantages. There is a positive impact on the environment as well as fewer workers are on the highways. Organization benefits include shifting advantages, lower costs in using part-time workers, increased ability of skilled professionals. On an *ad hoc* basis, reduced likelihood of unionization and need for office space, productivity improvements, and better morale for employers given the opinion of telecommuting, and employee retention. Company, AT &T States that it is able to retain more of its employees because of telecommuting. Some observers have asserted that telecommuters work more efficiently[12]. Nonetheless, there are potential problems with such arrangements, including control difficulties, career limitations related to lack of visibility, workers, seems about missing opportunities, social isolation, less sense of belonging, reduced loyalties to both employer and employee. There are also concerns about the security of confidential or competitive information when it is transmitted over telephone the country where there are wage advantages. For example, Hertz has its

lines from to and from the telecommuter. Although encryption technology may reduce such threats, security is a concern for some companies. Telecommuters also need remote office and information technology support. In addition, some managers find it difficult to trust their employees to work at home without their supervision[13].

Relocation of Work

Telecommunication advances have allowed information works to migrate from cities to rural areas and small towns. This migration has created what futurists Nesbit and Aberdeen call the electronic heartland. These workers have been attracted to the heartland because there is less crime, a lower cost of living, and quality of life benefits. Workers who are working on this relocation include owners of home-based businesses, writers, artists, stock traders, composers, software developers and engineers[14].

Companies are also relocating their operations. In information systems and data processing, companies are relocating their facilities to areas where there are favorable costs. For example, a New York Money Centre Bank relocated its data processing operations to a nearby state where real estate and the cost of living are lower. Information it transmitted electronically and henceforth with no delay in information system responsiveness while achieving substantial cost savings.
It is increasingly common for automobile rental companies and hotels to locate their reservations operations in areas of

reservations and accounting operations in Oklahoma   City.

Thrifty and Avis both have reservations operations in Tulsa, and Budget's reservations operations for Hyatt Hotels are located in Omaha, Nebraska. These geographic areas offer wage advantages over many areas in the United States, and location is irrelevant to the nature of the work performed. Recently, manufacturing companies have been relocating out of their operating areas because of the high costs of land and labour as well as regulative environment.

Growing use of temporary and contingent workers

Another important human resource issue is the increasing use of temporary or contingent workers. Temporary employees are often used to provide a buffer of protection for the jobs of the core of permanent employees. Further, the use of such workers is increasing and there is likely to be additional unbundling in the future. In contrast to core employees, contingent workers have short-term affiliations with employers. Examples include temporaries, subcontracted workers, part time workers, consultants, life of the project workers and leased employees. Companies also are using more" leased" employees who are "rented" from a temporary help agency on a long-term basis. Not surprisingly, unions typically resist the use of temporary workers[15].

Although there is growing use of higher skilled temporary employees, the largest category of temporaries is still administrative support of electrical work. The second largest category is industrial help workers such as labourers, equipment cleaners, helps and handlers. Because demand for such industrial help workers is cyclical and seasonal, the advantages to the employer are obvious[16]. Temporary workers are even being used the health care industry as registered nurses, practical nurses and X- ray technicians[17].

As indicated, the nature of temporary jobs is changing as there is a shift toward the higher skill levels. Temporary workers now include accountants, computer specialists, engineering personnel, financial executives, and technical writers. In information systems, temporary management services are being used for project management, installation of new systems, or during transition periods. Temporary management personnel and executives are sometimes early retirees from major computer companies or mangers displaced as result of restructuring[18].

Factors promoting use of temporary or Contingent employees

number of factors encouraging the use of temporary or contingent employees, Because of economic uncertainty or turbulence, many employers are reluctant to use permanent employees and have increased their use of contingent employees. Another factor is fluctuating workloads[19]. Companies also can avoid paying overtime pay by using temporaries during peak demand periods. Growing and declining companies have been found to use more temporary employers. The use of temporaries who can be dismissed on short notice allows these companies to protect the core of permanent employees[20]. Nonetheless, in tight labour markets; it may be difficult to obtain qualified temporary employees.

Other factors prompting the use of contingent workers include avoidance of recruiting, hiring and training expenses for workers who are to be used only a short time and avoidance of severance costs. The perverse effects of legislation also may have prompted the use of temporaries in some instances. For example, the Workers Adjustment and Retraining Notification Act (WARN), which was designed to provide advance

notice to plant shutdowns to full-time employees, may encourage the use of temporary workers. Other advantages for employers in the use of such workers include flexibility, potential savings in labour costs, and acquiring labour needed during hiring freezes[21].

In addition to benefits for employers, there are some benefits for temporary or contingent workers. These benefits include the flexibility to match lifestyle and family obligations with work and the ease of finding a job. For women, who constitute approximately two thirds of the temporary workforce, the benefits also include exposure in the job market, opportunities to obtain work experience and work skills, and opportunity to sample employment situations. Opportunities to reacquire work skills and confidence may have appeal for women who have withdrawn from the labour force for substantial lengths of time. Youthful workers also may be attracted by temporary work as opportunities to gain work experience[22].

Factors limiting the use of temporary Contingent employees

Although there are several advantages for employers in using temporary employees, there are also disadvantages. One disadvantage is the increased livelihood of missing affirmative action goals. Employers may not obtain desired numbers of female and minority employees in their permanent workforce if they curtail hiring and rely extensively on temporary workers. Another disadvantage is the need to train such workers. With temporary executives, disadvantages may include inordinate emphasis on short-term financial performance and absence of company loyalty. Disadvantages for temporary employees include lower opportunities to receive health insurance and retirement benefits, lower pay and fewer training and educational opportunities. However, temporaries frequently have benefit coverage from spouses-employment[23].

Employee leasing

Employee leasing is different from the use of temporary workers because there is no implication that employers will be other than full time, long-term employees. Often, when an employer makes the decision to lease employees, his or her employees then become employees of a leasing firm. The leasing firm then supplies these same employees to the original employer. As with the use of temporaries, there are some advantages with employees leasing. One primary reason for leasing is that small employers can obtain more economical health insurance by virtue of the leasing company's larger numbers of employees and inclusion in order pooled rates. Another motivating factor is that all payroll and administrative services are performed by the leasing company.

7. Conclusion: It is found that Industry consolidation creating huge global corporations through joint ventures, mergers, alliances, and other kinds of inter organizational cooperative efforts has become increasingly important in the twenty-first century. Among organizations of all sizes, concepts such as agile manufacturing, just-in-time inventory management, and ambidextrous organizations are impacting managers' thinking about their organizational structure. Indeed, few leaders were likely to blindly implement the traditional hierarchical structure common in the first half of the century. The first half of the twentieth century was dominated by the one-sizefits-all traditional structure.

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