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HUMAN RESOURCE MANAGEMENT IN COOPERATION CONDITIONS

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Abstract: *The article analyses the five-area system of human resource management to the conditions of cooperation of several organizations. The authors of this article have assigned 20 dimensions to the five areas of management, which the authors of cooperation theories have identified as particularly significant in cooperation processes. Some dimensions are also common to the overall five-area framework for human resource management. However, the majority of dimensions are specific only to cooperative processes. The authors of the article have emphasized the following dimensions that are significant for cooperation: the organization of cooperation processes, flexibility, knowledge sharing, and trust.*

Key words: *human resources, management, cooperation*

1. INTRODUCTION

Human resource management is widely discussed in the scientific literature. The classic Armstrong's books [1] and [3], the works of other authors mentioned in these books, as well as the latest scientific sources on this topic, open very wide horizons of human resource management and various ways and methods of researching this management. However, this management is mostly analysed in the case of one organization. Meanwhile, in the co-operation processes of several organizations, human resource management remains an under-explored area.

Cooperation is gaining a significant meaning in today's global world with its various forms of cooperation. In many areas of activity, it becomes impossible for one organization to implement large-scale or complex projects, making cooperation between several organizations an inevitable phenomenon. All authors of research in this field recognize that human resources are crucial to cooperation. However, human resource management under the conditions of multi-organizational cooperation is much more complex than within a single organization and brings many new aspects. Therefore, as widely as in Armstrong's system, human resource management in the context of multi-organizational cooperation has not yet

been fully explored.

The article aims to apply Armstrong's five-area framework for human resource management [3] and to review the essential dimensions of these five areas from a theoretical perspective of cooperation.

2. FRAMEWORK OF HUMAN RESOURCE MANAGEMENT IN COOPERATION

Multi-organizational cooperation enables the development of activities with fewer resources than operating in completely independent organizations alone, as the cooperation shares available resources, pooling the resources of several organizations and creating added value in these organizations. People are the most important participants in cooperation processes because they combine the resources of several organizations into one cooperation system. Of course, in the cooperation of several organizations, the management of people is much more complex than in individual organizations.

Both in science and practice, human management is defined in different ways. Four terms are most commonly used: human management, personnel management, human capital management, and human resource management.

Armstrong [1] provided definitions of these four terms (see Fig. 1) and examined the similarities and differences between them. Of course, all four terms are closely related. *Human management* is the most general term that applies to any organization or even to complex organizational structures, including the urban or regional community and even the society that makes up the state. *Personnel management* is the narrowest term valid for one organization and is intended for the performance of the activities of this organization. The term *human capital management* is most commonly used to describe economic processes. Human capital in the economy is defined as the human abilities and skills to participate in economic activities. People are seen here as an asset and it is emphasized that competitive advantage in the economy is achieved through investment in employee engagement and retention, talent management as well as training and education programs.

The term *human resource management* includes not only the contribution to the creation of added value in the economy, but also the totality of personal knowledge, skills and competencies accumulated by individuals through investment in education, training and other experiences [2]. Human resources provide knowledge, abilities, and skills that can be used productively in an organization. This includes information memorized by employees, their physical abilities, writing or numeracy skills, and cognitive intelligence. Science

distinguishes between general and specific human resources. General human resources refer to competencies that can be used across different organizations, and specific human resources refer to competencies that can only be used within a specific organization. Human resources always consist of a combination of general and specific human resources.
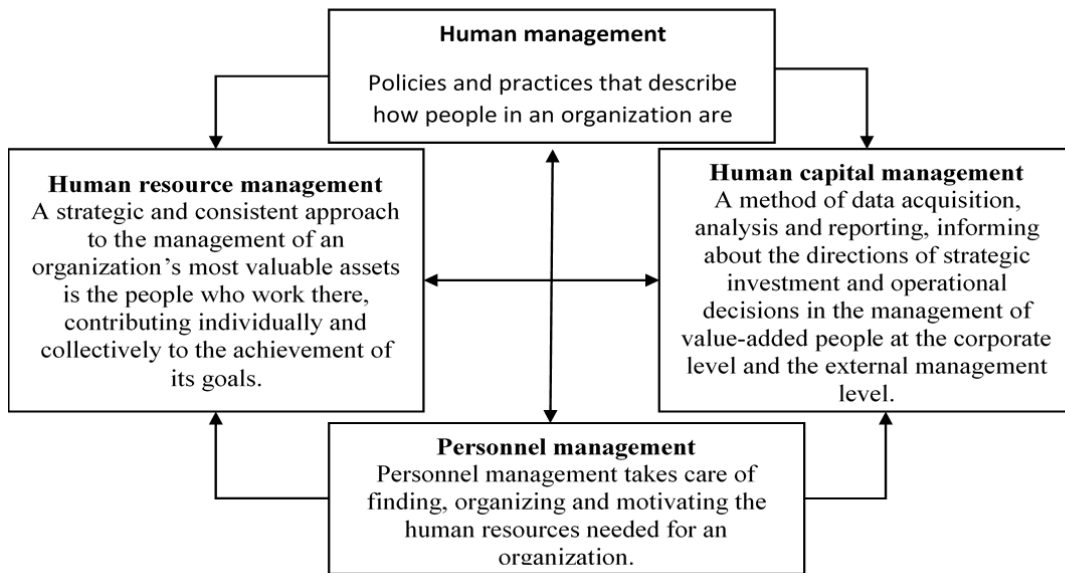

Fig. 1. The interrelationship between forms of human management, Source: [1]

Armstrong [1] argued that the most important thing in human resource management is investing in the organization's core assets, i.e. people, to ensure their survival and growth. Human resource management aims to ensure that the organization receives and retains the necessary qualified, dedicated and properly motivated staff. Therefore, measures have to be taken to evaluate and meet people's needs, strengthen and develop the skills necessary for work by providing opportunities for learning and continuous improvement in order to increase the potential of the organization's human resources and contribution to the added value created by the organization. The main goal of human resource development is to strengthen the capacity of these resources, recognizing that an organization's human resources are a key source of competitive advantage. This goal is achieved by developing a consistent and comprehensive human resource development system. The specific strategic goals of human resource development are to develop intellectual capital and promote organizational, team and individual learning by creating a learning culture – an environment in which employees are encouraged to learn and improve, in which knowledge is delivered systematically and with maximum benefit for the organization.

Armstrong [3] presented an organization's human resource management model that identified five areas of management: 1) Organization, 2) Resourcing, 3) Learning and development, 4) Reward management, and 5) Employee relations (see Fig. 2). In this model, Armstrong highlighted how to organize human resource management processes to strengthen the motivation of an organization's employees, their engagement in work, and their commitment to established policies and processes. These processes have to ensure that people are valued and rewarded for what they do and achieve, and rewarded for the level of skills and competencies they achieve. The goal of the organization is to create employee relationships that maintain productive and harmonious relationships through a partnership between management, employees, and their unions.

The authors of this article examined how the five areas of human resource management identified by Armstrong [3] manifest themselves in terms of organizational cooperation. After analysing the scientific literature on cooperation, dimensions of human resource management have been identified for each of the five areas, which have a significant impact on the cooperation processes of organizations (see Fig. 1).
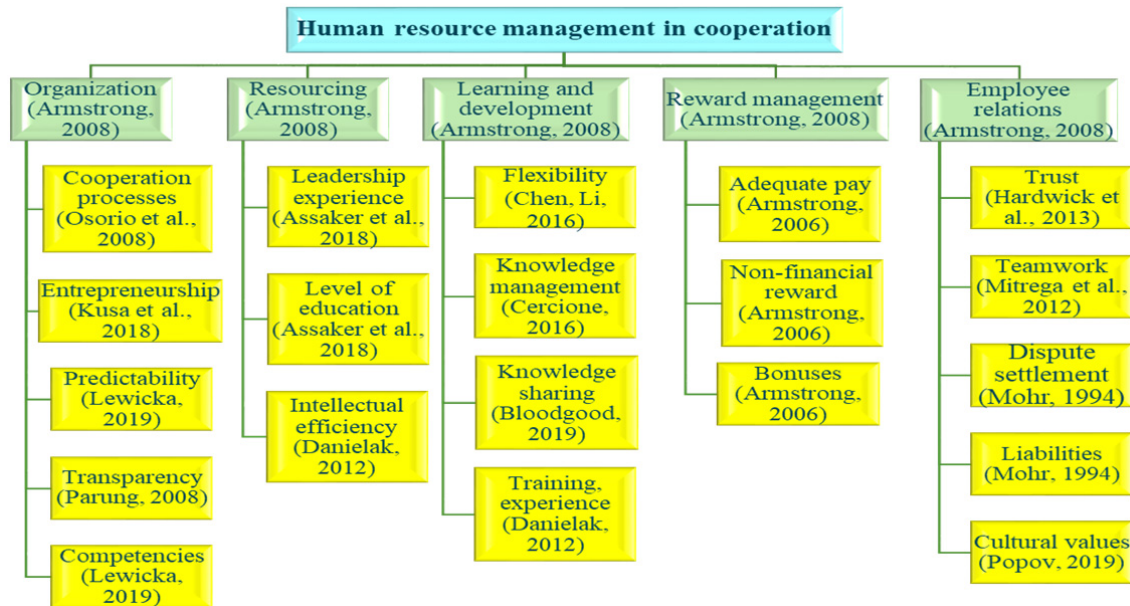

Fig.2. Structure of human resource management in cooperation, Sources: [1] and provided in References

Cooperation between organizations includes elements, such as stakeholder decision-making, power-sharing, support and collaboration, mutual learning, and shared improvement. These elements enable the organization to have a higher level of human resources consisting of a

complex set of values, beliefs, and symbols that describe how partners participate in cooperation processes, identifying the contexts in which cooperation processes take place.

Due to the space limitation in this article, only some of the five dimensions of human resource management that emerge in the collaborative processes of multiple organizations are examined in detail in the five subsections below.

2.1 ORGANIZATION

Human resource management covers the employees of an organization who are valued as value-added capital. People are considered as a core asset of an organization, and competitive advantage is achieved through strategic investments in those assets through employee engagement and retention, talent management, training and education programs. It is necessary to make strategic decisions that have a significant and long-term impact on the organization's behaviour and success, ensuring that the organization would have a sufficient number of staff to achieve a long-term competitive advantage [3].

The organization of human resource management shapes the core competencies that determine the ability of organizations to compete and can significantly affect the performance of the organization. The process of organization aims to implement programs to increase organizational efficiency, create favourable conditions for efficient work, a benevolent atmosphere of communication and cooperation. A lot of attention in the organizational processes is given to the continuous improvement of employees' qualifications and activities.

Cooperation processes. The organization of human resource management acquires special significance and complexity in the cooperation processes of several organizations. In the formation and implementation of cooperation processes, it is necessary to combine the cooperation culture of several organizations, to flexibly apply different information and communication technology traditions as well as infrastructural measures. Each cooperation process has its structure, content, which can contain many elements of cooperation content. The structure of the cooperation process is linked to multiple data, it can take place, using a variety of data collection and processing methods and tools. Adapting information systems to cooperation processes in each specific case is usually complex. This requires a number of modelling concepts and mechanisms that allow for the most precise possible definition of cooperation processes that would correspond to the operational structures of the two cooperating organizations, and that could properly link different forms of cooperation. Such management of cooperation processes with information technologies enables organizations to

exchange information and knowledge, standardize the life cycle of cooperation processes [4].

Entrepreneurship. Kusa et al. [5] in their research on the relationship between cooperation and entrepreneurial qualities found that cooperation between organizations is directly related to the entrepreneurial characteristics of managers. In business organization relationships, cooperation and competition often occur together, which requires managers to have special entrepreneurial qualities. Kusa et al.'s [5] research results confirmed that entrepreneurial qualities are particularly important in cooperation processes. In researching cooperation processes, the authors propose to assess the entrepreneurial characteristics of the managers of cooperating organizations in order to assess their ability to cooperate with external organizations. Abilities, knowledge and skills in business are key features of entrepreneurship. These characteristics describe the manager as a personality and include general features, such as clear record, trustworthiness, honesty, fairness, adherence to principles, consistency, politeness, consideration, precision, as well as specific ones, such as decisiveness, dutifulness, a spirit of initiative, goal orientation, persistence, self-reliance, responsibility, diligence, and social skills. According to Frese, Gielnik [6], an entrepreneur should have several personality traits at the same time to demonstrate the ability to act as an investor, inventor, accountant, dispute investigator, leader, technologist, marketing specialist, and top seller. In addition, the entrepreneur must be an optimist who has and hopes for the success of his business idea.

2.2 RESOURCING

An employee resourcing strategy has to ensure that the organization receives and retains the people it needs and recruits them effectively. It is a key part of the strategic human resource management process, mainly aimed at aligning human resources with the strategic and operational needs of the organization and ensuring the full use of those resources. It takes care not only of ensuring the required number of staff and the quality of their work, but also of selecting and promoting people who meet the organization's culture and strategic requirements. The objective of an employee resourcing strategy is to get the right workforce with the right qualities, skills, knowledge and opportunities for training in the future. The selection and recruitment of staff best suited to the needs of the organization should be a key activity of human resource management policy. The strategy has to help the organization achieve a competitive advantage by hiring more capable people than its competitors. The organization employs its people in a way that they would have a wider and deeper range of

skills and behave in a way that maximizes their contribution to the added value the organization creates. The organization retains such employees by providing better opportunities and rewards than others and by entering into a positive contract that increases dedication and builds mutual trust [1].

Employee resourcing emphasizes more than traditional personnel management the search for people whose attitudes and behaviours match management expectations. More attention is paid here to the characteristics of employees' attitudes and behaviour. It is emphasized that aligning human resources with organizational requirements does not only mean maintaining the status quo. This often means the radical cultural changes of employees that will be necessary for the future to achieve sustainable growth.

Employee resourcing is not just about recruitment and selection. It includes expanding the skills base, learning and development, and the methods how to reward people for acquiring additional skills. Performance management processes are used to identify an organization's development needs and motivate people to use their skills most effectively. Employee resourcing clearly defines the requirements used in employee selection, development, and reward processes [1].

2.3 LEARNING AND DEVELOPMENT

Armstrong [1] defined knowledge management as the process of creating, acquiring, capturing, sharing, and using knowledge to improve learning and performance in organizations. Knowledge management aims to provide the organization with the necessary knowledge and skills that are relevant to the development of the organization. According to Cerchione et al. [7], access to knowledge created by others is often very important in business, but business knowledge is often not publicly available and, therefore, requires cooperation between enterprises.

Flexibility of human resources is the ability of an organization to involve employees in the growth of its activities, adapting quickly and effectively to changes of the environment [8]. In business cooperation, the flexibility of human resources is often associated with cultural adaptation, adapting to the operating culture of another enterprise. Organizations with flexible human resources are better able to adapt to the changing desires of the cooperation partner. This flexibility is especially important in the processes of significant organizational change and innovation.

Knowledge sharing. The willingness and ability to share an organization's accumulated knowledge can be one of the key factors in deciding on cooperation with another organization. The knowledge of many researchers is identified as the most important strategic resource for an organization [9], and the depth of knowledge available reflects the organization's unique and complex knowledge content. The depth of knowledge an organization has indicates whether the organization has sufficient general and technical knowledge in its specialized areas of activity [10]. As a result, organizations with different knowledge may have different perspectives on the opportunities for partner and their own to share and assimilate their knowledge. Understanding that knowledge sharing can bring benefits can promote cooperation. Most organizations want to share knowledge with others only if they realize that sharing can provide them with additional business opportunities or other benefits. Therefore, before deciding to share knowledge, organizations should assess the benefits of knowledge sharing and whether the partner organization will also want to share their knowledge that would be beneficial to the organization [11].

On the other hand, Lyu et al. [12] argued that different depth of knowledge can hinder the smooth sharing of knowledge and this can hinder cooperation, i.e. if one organization will have more specific knowledge than another, then cooperation between such organizations in the field of knowledge sharing may be difficult or impossible.

Another aspect of knowledge sharing is the ability of an organization to master the knowledge it receives. This ability is determined by the organization's ability to implement knowledge and thereby increase production or service capacity [13]. Organizations with such capabilities will be more willing to share their knowledge. Many research papers suggest that greater knowledge facilitates organizational performance and competitive advantage [14].

2.4 REWARD MANAGEMENT

Reward management aims to reward employees fairly, equitably, and consistently, in accordance with their value to the organization. The remuneration system is designed to meet the needs of both the organization, and it consists of design, implementation, and maintenance.

Reward management is based on a well-formulated and grounded philosophy – a set of beliefs and guiding principles that align with the organization's values and helps to implement them. The belief that the principles of fairness, justice, consistency and transparency have to guide the management of the remuneration system is considered to be

the most significant. Philosophy recognizes that it is appropriate to reward people differently according to their contribution to the added value created by the organization. Remuneration management has to be strategic, focused on the long-term perspective, and linked to the overall business strategy. Reward management uses a 'full remuneration' method, which emphasizes the importance of treating all aspects of remuneration as a coherent whole that is made up of various forms of remuneration aimed to motivate, dedicate, engage and develop employees. This requires integrating the remuneration strategy with other human resource management strategies [1].

2.5 EMPLOYEE RELATIONS

Employee relations include formal processes, procedures, and communication channels. In addition, relations with employees are informally maintained daily by their line managers and by the employees themselves. Employee relations are shaped by the following aspects [1]: 1) Formal and informal employment policies and practices of the organization; 2) Development, negotiation and application of formal collective negotiation, dispute settlement and employment regulation systems, rules and procedures. This helps to set the reward for the effort and other terms of employment, protect the interests of employees and their employers and regulate the way employers treat their employees and how employees are expected to behave at work; 3) Employee communication policy and practice; 4) Informal and formal processes that take place in the form of constant interaction between managers and employees. This may take the form of formal agreements, however, they are often governed by habits and practices and a climate of relationships that have developed over the years; 5) Policies of key participants in the field of labour relations: government, management and trade unions; 6) The legal system; 7) State institutions: Labour Inspectorate, Labour Disputes Council, etc.

Trust is one of the most important dimensions in cooperation. Trust reduces conflicts and risks by building a benevolent relationship, strengthening mutual satisfaction and partner commitment. Establishing and maintaining a relationship is much easier if the partners can trust each other. Trust reduces uncertainty in relationships. It is based on the subjective belief that the behaviour and actions taken by the other party in a particular situation will not be directed to the detriment of the partner. The partners do not have to cover the costs of complex agreements between them when they are ready to act in the interests of both parties [15].

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Hardwick et al. [16] distinguished two types of trust: 1) trust based on technical capabilities and competencies, 2) trust arising from personal characteristics: honesty, kindness, etc. These authors confirmed in their research that the first type of trust more often initiates cooperation. The trust process is substantial if based on a history of positive mutual contacts. Trust is especially important in the initial phase of partner cooperation. If there is a lack of knowledge about a potential partner, information or recommendation from a reliable source often helps in deciding on cooperation with this partner. In this case, the third party acts as a reliable intermediary. Trust is essential in risky situations when the potential damage outweighs the received return, then the risk is reduced by gathering information about the partner [17].

The level of trust in partners affects their relationship [15]. Cooperation is also influenced by the nature of this trust, for example, trust in the partner's competence, willingness to achieve common goals, predictability of the partner's actions, honesty, or a positive experience of the cooperation [14]. When making decisions about cooperation, the set of trust factors should be defined as a single construct expressing the general level of trust in cooperation partners [18].

3. CONCLUSION

Armstrong's human resource management system, outlined in his [1] and [3] books, consists of five areas: 1) Organization, 2) Resourcing, 3) Learning and development, 4) Reward management, and 5) Employee relations. The authors of this article applied this system to the cooperation processes of several organizations and, after analysing the theoretical literature on cooperation, developed a new system (see Fig. 2) in which the five dimensions are formed by the main emphases of cooperation theories. A total of 20 essential dimensions specific to cooperation processes have been identified. Some of them are also emphasized in Armstrong's books [1] and [3], however, many of them belong to the authors of cooperation theories. The important dimensions of cooperation processes are of particular importance: organization of cooperation processes, flexibility, knowledge sharing, and trust.

Organization of cooperation processes requires aligning the culture of cooperation of several organizations, flexibly adapting different traditions of information and communication technologies and infrastructural means. Flexibility of human resources is particularly significant for this. This flexibility is especially important in the process of implementation of significant organizational change and innovation. Knowledge sharing is another dimension inherent in cooperation processes. Many authors emphasize that knowledge is the most significant strategic resource for an organization. It is, therefore, natural that many

organizations are reluctant to share their specific knowledge. On the other hand, the knowledge-receiving organization may not be able to apply that knowledge effectively. Trust is a necessary dimension for the cooperation of several organizations. Trust is acquired through long-term positive relationships, authority and a high level of value orientation.

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