

CREATION OF THE COMPETENCES AND GOOD PEOPLE MANAGEMENT PRACTICES

Jarumon Nookhong

Suan Sunandha Rajabhat University, Bangkok, Thailand

The adapt ability through innovation has been one of the factors for companies to reposition themselves in the market. They are turning their eyes to people management, with the intention that the relationship between employees and company is exchange, in addition to established processes of innovation. Thus, if the employees provide the delivery of competence, the other is promoted to satisfaction by delivery. Therefore, the article aims to identify the contributions of People Management in the Innovation Process. For this, a systematic search was made in the Web of Science (WoS) database. In the end, it was pointed out that studies that deal with the relationship between innovation and people management are still recent and scarce, but the strategic people management importance is recognized to maintain the human potential balance, of organizational knowledge.

Keywords: innovation; people management; HRM; Human Resource Management; organizations

Introduction

Radical changes of the technological nature which took place during the second half of the previous century have raised many social expectations for the better life for all. Thus, socioeconomic needs also changed, and quite quickly, forcing businesses and other organizations revise their strategies and daily practices if they want to stay competitive (Finegold et al., 2006).

In these newer realities, consumption is not restricted to what is offered, but is rapidly expanding onto what is in demand. Therefore, all organizations are seeking to add value to the products they already have and in parallel to that they are actively searching for new niches at the actively globalizing markets. In other words, all business is forced today to develop the most flexible scenarios but to have better organized actions at the same time. This would help them to determine the most promising opportunities and to assess whether they have enough capacity to make use of such opportunities.

In this very context, innovation seems to be the most vitally important asset for any business, since any innovation is first and foremost aimed at turning ideas into reality. Implementing the concept of innovation is part of the further innovation process, which consists of several interdependent stages, managed by human agents.



Jarumon Nookhong

PhD, Lecturer at Suan Sunandha Rajabhat University, Bangkok, Thailand

Research interests: innovative economy, ICT and innovative business, education processes, creativeness

E-mail: jarumon.no@ssru.ac.th

CREATION OF THE COMPETENCES AND GOOD

The interdependence of elements within the innovative process is meant to guarantee the best result from the planned actions (Lehrer, et al., 2012). In other words, the innovative success depends on the relations between processes and people. Managerial roles are assigned in such a way to make sure all managerial functions help people in their cooperation and mutual work to reach the objectives, both organizational and individual (Martínez-Sánchez et al., 2009).

Today's business environment makes the relationship between businesses and employees change quite significantly, as much more competences and responsibilities are assigned to employees, thus leading to higher job satisfaction among them. Broome (2000) described the growing importance of people in organizations in the following way: "value generation has become one of the organizations challenges to create a competitive differential, considering people as an important asset among company resources".

This approach, despite minor bias containing in it, has already become the basis for an important strategy in innovative processes' management. And in this very context, we can detect the need for deeper research on the issues that seems to be challenging in the course of innovative development of organizations as well as people management (Jensen et al., 2010). Therefore, our article aims to determine more precisely the contribution of people management into the innovative process at the enterprise level.

Methodology & Procedures

Search methods and the sample

We see our research study as an exploratory one as it seeks to discover more information and insights on the phenomenon in question. We can also state that our study is descriptive in nature considering the fact that we are trying here to describe several interrelated phenomena and situations (Fu et al., 2015). On the other hand, our study is also qualitative because it analyzes social phenomena and provides interpretations for them (Jorgensen et al., 2011).

Our data collection techniques have been also integrative in nature as they combine empirical and theoretical studies, aiming at the most comprehensive understanding of the phenomenon in question (Broome, 2000). As we are analyzing here quite a range of previous studies with the aim to synthesize their scientific results, we can with a confidence state that new knowledge generated in the course of this research has been based on the results of the previous research (Mendes et al., 2011). Still, there is place for subjectivity, since we are oriented on our own original analysis and its critical interpretation (Sarros et al., 2008).

Strategic approaches to people management

Evolution of business organization has eventually led to a brand new configuration of people within organizations. When we are looking at the development of organizations in their transformation from the industrial stage to post-industrial one, we can clearly see that organizational behavior has changed considerably. More specifically, it has moved quite far from the classic Fordist model, with its repetition and division of activities, to an organizational model of the 21st century which is centered around people and their participation in various processes. Kraus et al. (2011) described people's participation in the time of the Industrial Revolution in the following way: "...the worker began to live by the clock and the tasks completion... until the whistle of the factory announced the work day

end. The worker no longer needed to know what would be done with the result of his work, what final product would be produced”.

This very much mechanistic view on work clearly belongs to the industrialization times, thus, it is not relevant for the absolute majority of today’s business. Still, there are still traces of this culture observed in today’s corporate environment: some workers still prefer to concentrate all attention and efforts on one task, not realizing what is its true contribution to the overall processes.

In this regard, Petuskiene and Glinskiene (2011), while discussing organizational culture, demonstrated that in many cases internal problems of organizations can be solved by staff only, at this, "the challenge is how to awaken the relationships that stimulate the emergence of individual knowledge".

This is yet another proof that management perceives people beyond being just a resource. And for this very reason, today we can observe the transition from human resource management concept to people management.

The growing importance of people management is the consequence of serious changes in not only corporate environment, but also of social context transformations.

As of today, there are several approaches to people management, actually. Adoption of one perspective does not necessarily mean that others need to be fully ignored and excluded. However, the choice of a key strategy is responsible for all further choices on the tactical/operational level. It is also connected to a more general organizational strategy which essentially means to determine the best way to achieve organization’s goals. According to Binyamin, G. and Carmeli, A. (2010), improvements in organizational actions evidence how well the Strategic People Management is aligned with Organizational Strategy.

Organizational Competences as Key Assets of Organization

Competences as such have been in the focus of much research since the middle of the previous century, mainly due to the rapidly changing socioeconomic context and the accompanying changes in production forms. In these several decades we all gradually came to realization that services sectors starts to be much more important than production (Binyamin et al., 2010). Mitchelmore et al. (2010) in their research case on competences made a temporal delimitation to make the context more appropriate to own studies, because "from the Paleolithic period... competencies are human characteristics".

The very notion “competence” has been subject to multiple recycling, depending on the context of a particular economy, times and sector, and there is still enough space for new interpretations, actually. As of today, competence is recognized as a responsible state that transforms knowledge into something useful for society. Experience gained in the course of knowledge accumulation does not necessarily guarantee the accomplishment of all further tasks, still, it increases the possibilities. Competence is also commonly recognized as application of knowledge so that to generate more value (Mitchelmore, Rowley, 2010).

Alternatively, competence is the ability to mobilize actors around the same situation so that to share challenges between them and to determine the responsibility area for each of them. Stemming from this definition, we can only add that collective competencies are almost always larger than the sum of individual competences. And this is exactly why networking works as it always requires complementarity of the relationships between people.

On the other hand, competence can be also defined as specific organization of activities that individuals are supposed to demonstrate so that to win in competition. This definition

CREATION OF THE COMPETENCES AND GOOD

covers the following components: creativity, flexibility, focus on results and clients, planning, leadership and so on (Mitchelmore, Rowley, 2010).

Concluding Remarks

In this article, we have outlined several perspectives to understanding of various areas that together form people management as manifested in the innovative process.

The empirical part of our research describes the connection between people management and innovative process, also showing the potential for meeting the strategic organizational goals. Our research also shows that there are still just a few studies dealing with the relationship between innovative process and people management. On the other hand, this connection has been already well recognized by business organizations themselves, as many businesses are already well aware of the role played by their human potential when it comes to structural capital construction and innovative development.

Finally, we can confirm that there is consensus in academic circles concerning innovation being the main organizational potential. However, we can also confirm that despite all the awareness on the decisive role of innovation in business development, knowledge does not really transform into action, or in other words, in the real business sector we can observe that innovative ideas find hardly any practical implementation.

References:

- Binyamin, G. & Carmeli, A. (2010). Does Structuring Of Human Resource Management Processes Enhance Employee Creativity? The Mediating Role Of Psychological Availability. *Human Resource Management*, 49,6. 999–1024.
- Broome, M. E. (2000). Integrative Literature Reviews For The Development Of Concepts. In: Rodgers, B. L.; Knafl, K. A. (Orgs.). *Concept Development In Nursing: Foundations, Techniques And Applications*. Philadelphia: W.B. Saunders Company.
- Finegold, D.; Frenkel, S. (2006). Managing People Where People Really Matter: The Management Of Human Resources In Biotech Companies. *The International Journal Of Human Resource Management*, 17,1. 1–24.
- Fu, N. Et Al. (2015). How Do High Performance Work Systems Influence Organizational Innovation In Professional Service Firms? *Employee Relations*, 37,2. 209–231.
- Jensen, S. H.; Poufelt, F.; Kraus, S. (2010). Managerial Routines In Professional Service Firms: Transforming Knowledge Into Competitive Advantages. *The Service Industries Journal*. 30,12, 2045–2062.
- Jorgensen, F.; Becker, K.; Matthews, J. (2011). The Hrm Practices Of Innovative Knowledge-Intensive Firms. *International Journal Of Technology Management*. 56, 2/3/4. 123.
- Lehrer, M. Et Al. (2012). Challenging The Orthodoxy Of Value Co-Creation Theory: A Contingent View Of Co-Production In Design-Intensive Business Services. *European Management Journal*. 30, 6. 499–509.
- Martínez-Sánchez, A. Et Al. (2009). Innovation and Labour Flexibility: A Spanish Study Of Differences Across Industries And Type Of Innovation. *International Journal Of Manpower*. 30,4. 360–376.
- Méndez, R.; Moral, S. S. (2011). Spanish Cities In *The Knowledge Economy: Theoretical Debates And Empirical Evidence*. *European Urban And Regional Studies*. 18,2. 136–155.
- Mitchelmore, S.; Rowley, J. (2010). Entrepreneurial Competencies: A Literature Review and Development Agenda. *International Journal Of Entrepreneurial Behavior & Research*. 16,2. 92–111.

- Petuskiene, E.; Glinskiene, R. (2011). Entrepreneurship As The Basic Element For The Successful Employment Of Benchmarking And Business Innovations. *Engineering Economics*. 22,1, 2011.
- Sarros, J. C.; Cooper, B. K.; Santora, J. C. (2008). Building A Climate For Innovation Through Transformational Leadership And Organizational Culture. *Journal Of Leadership & Organizational Studies*. 15, 2. 145–158.

<i>Paper submitted</i>	<i>16 March 2019</i>
<i>Paper accepted for publishing</i>	<i>02 May 2019</i>
<i>Paper published online</i>	<i>25 June 2019</i>