

Historical Roots of HR PRACTICES

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"The disadvantage of men not knowing the past is that they do not know the present. History is a hill or high point of vantage, from which alone men see the town in which they live or the age in which they are living" .. G. K. Chesterson



Introduction

There is no doubt about that ancient stories are shading lights on different events and situations that happened in the past that are to a great extent similar to present day. Such history by far can teach us many lessons that we can put into practice in managing today complex organizations and its human capital. The history provides us with centuries of collective wisdom and experience to learn from, as it is said; "there is nothing new under the sun". Learning lessons from history has been a phenomenal source for free advices and inspirations. Thus, those who fail to learn the

lessons from history are condemned to repeat it, but most significant thing we learn from history is that we certainly not learn from it.

Military history has provided a number of useful representations for business, general management and for human resources management. To learn from military history, past events must be examined thoroughly so proper modules can be derived from them.

Over the past years, military descriptions have been used frequently on management topics such as Marketing; The Cola Wars, the story of the global corporate battle between

the Coca-Cola Company and PepsiCo, Inc., and between fast food industry McDonald's and KFC. Everyone's trying to one-up each other amid intense competition. Also, in 1997 McKinsey & Company introduced the term War for Talent to describe the shortage of skills in the labour markets, which became part of Human Resources annual planning activities to attract and retain those talented staff.

To this end, certain comparisons can be made between company competitions and military warfare:

- Both strive for winning position by defeating their competitors

while defending themselves.

- Competitions and wars are confrontational activities.
- Organizations must be well organized and well managed.
- Organizations and wars require strategies and tactics.
- Leadership style of both army and organization has an important influence on the shaping of success.
- Both need high quality and committed people.
- Both thrive on information.
- Both they have to have disciplined and communication systems to convey the news and information. And finally
- Both they have to have strong management of people.

With this in mind, we should be able to expand on those aspects of business that more closely resemble war - business competition and competitiveness. But, we will focus on the management of people's part.

Sun Tzu's Art of War offers valuable insights for the HR Management of modern business. His writings have been highly influential in both marketing and business management science. In his writings he had also shed lights on some essential principles for HR to follow. HR practitioners ought to go deeply through Sun Tzu philosophies to appreciate his clear wisdom and the clarity of thought that we can put into practice, as some of the noticeable concepts that are embedded in his works can be applied to the Human Resources Management.

Sun Tzu said; "The art of war is of vital importance to the State. It is a matter of life and death, a road either to safety or to ruin. Hence, it is a subject of inquiry which can on no account be neglected".

In the contemporary HR business environment achieving competitive advantage is done



by and through people as unique source that can't be copied easily, other sources can. Therefore, from HR standpoint of view "The art of managing people is of vital importance to an organization, it is a matter of life and death, a road either to prosperity and competitiveness or to destruction and bankruptcy. Hence, it is a subject of inquiry which can on no account be neglected". To understand and appreciate the value of Sun Tzu strategies and writings, imagine the following resembling:

Sun Tzu	Contemporary HR Management
• Military	• Organization
• Army	• People (Staff)
• Terrain	• Environment or Culture
• Enemy	• Competitor
• Commander	• Leader (CEO or CHRO)

Thus, here are some of his ancient lessons that HR can adopt and implement to gain the heart and mind of their people and organization and be able to win in the battlefield and in various wars they undertakes.

Communication Strategy

In his first introductory lesson, the story of the concubines, Sun Tzu educated us with the necessities of clarity of communication, dis-

cipline of teams as well as appropriate good execution of orders, otherwise serious consequences can occur.

He said, "If words of command are not clear and distinct, if orders are not thoroughly understood, then the general is to blame." He insisted in clear communication by the leader, otherwise leader would be responsible for all the consequences.

It is generally recognized that effective communication is a requisite of effective management. Communication is an important part of HR job that can't be taken for granted, and regardless of the size of your organization, smart HR practitioners who know that clear communication, is the essence of business can create an opportunity for employees to understand and take action of the message they sending. Thus, communication must be simple and far from ambiguity or double interpretations or usage of jargon language.

Leadership Strategy

Organizations depend upon leaders and their leadership capabilities to guide them during trying times.

Sun Tzu said, "Next is the Commander. He must be smart, trustworthy, caring, brave, and strict." Accordingly, the commander/leader must have those five traits; smart, trustwor-

thy, caring, brave and strict. These qualities describe a person's character.

HR executives must ensure that organizational leaders and themselves are 'Smart' in order to be able to understand where the environment provides the best opportunities. The intelligent executive is able to rightly understand the competitor's leader, and to use the appropriate technique in gaining advantage.

Generally speaking, the challenge faced by many of today's executives is that they have backgrounds as good technical managers who were promoted to their current management roles. They know their industry well, but cannot distinguish between management and leadership beyond a mere intellectual understanding.

To be respected as executive in today's business climate, we must be relevant and manage the inevitable business climate changes and the follow-on strategy changes with good HR science.

Executives 'Trustworthiness' must inspire their staff's devotion and subsequently the staff must never fear danger or dishonesty. They must represent employees with keen-concern to the top management and discuss their issues and fight for them and bring mutual agreement to the discussion table. They can have true influence

and leverage over an organization, bringing the functional expertise to bear without artificial limitation, where appropriate, for the greater good of the organization.

Also they ought to 'Care' treat staff members as they beloved children. In this way HR may intervene in coaching and counselling sessions to solve or try to solve issues behind job related matters, and helping organizations and employees to balance the demands of work with the need for a personal life.

Sun Tzu suggests that the leader should be brave for obvious reasons. The modern equivalent could be "openness to experience". This trait is key to using feedback from subordinates to improve one's performance by establishing internal listening as a priority, and encourage two-way interaction. We must be willing to do the unpleasant parts of the job as well as the fun parts, and honour our agreements conscientiously. People must be able to depend on us.

If we are not reliable, no one will support us for long. If our decisions are well thought out and we act honestly, our men will trust us. If we are trusted, people will speak their mind freely and openly, which means business problems can be solved more quickly and effectively. This is being strict.



Planning Strategy

Benjamin Franklin, the father of time management said, "Failing to plan is planning to fail".

Sun Tzu was very clear about the need for careful planning he said "With careful and detailed planning, one can win; with careless and less detailed planning, one cannot win. How much more certain is defeat if one does not plan at all! From the way planning is done beforehand, we can predict victory or defeat".

"Planning" is an objective analysis of the competitive situation. He emphasized the importance aspect of 'laying plans' and how careful planning can significantly increase the chance of victory and deviation from these plans will ensure failure.

In HRM, recruitment and training, should be planned based on internal and external environmental factors. HR practitioners should know the strengths and weaknesses of each and every employee and use them to their advantage against the competition. Human Resources planning in the broadest sense include both strategic and operational human resource as a continuous process rather than an activity limited to a fixed segment of the business planning process.

Sun Tzu believed it was not possible to win a war without the support of the soldiers and population. If HR is to be successful, employees should be highly motivated and loyal to the organization. Individuals who have different objectives for the organization should be replaced, as they will be less likely to make personal sacrifices when required.

Sun Tzu asserted, "If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself,



you will succumb in every battle".

Organizations are becoming more dependent upon people because they are increasingly involved in more complex technologies and are attempting to function in more complex economic, political, and socio-cultural environments.

The more different technical skills there are involved in the design, manufacture, marketing, and sales of a product, the more vulnerable the organization will be to critical shortages of the right kinds of human resources.

HR Planning plays an eminent role in the organization to achieve its goals. Surprisingly, this aspect of HR is one of the most neglected in the field. The importance of HR planning has generally been overlooked by organizations. Its proactive approach allows it to be more strategic in its decisions rather than face obstacles when unprepared. It can enhance the success of an organization through anticipation of labor shortages or surpluses and thus make decisions about the overall qualitative and quantitative balance of employees.

HR Practitioners who prepare the HR Planning program would assist the organization to manage its staff strategically. They must perform environmental scanning, in order to effectively be a part of the strategic planning process, by monitoring of the major external forces influ-

encing the organization such as economic factors, competitive trends, technological changes, political issues, social issues, and demographic trends.

Unfortunately, many organizations are seeing HR Plans is all about payroll budget, benefits and some minor training expenses. Townsville Business Coach says 'If you don't have a plan - you will become part of someone else's plan. And you may not like it...'

Staffing Strategy

Sun Tzu said "A sovereign of high character and intelligence must be able to know the right man, should place the responsibility on him, and expect results."

What can be more important than finding and hiring the best people, and then giving them the opportunity to realize their full potential? The organization's ability to hire, develop, and retain employees may be the single most critical determinant of organizational success in today stiff competition. Finding and appointing the right people is imperative, but providing them with the appropriate opportunity to excel cannot be ignored. Staffing the organization is critical task particularly when it comes to hiring of talents. Selection is the process of choosing the right individuals with the right qualifications to fill jobs. Without such qualified employees, the organization's success is at a stake.

In reality the process of building a company with good to great employees starts with the hiring process. HR practitioners who can manage the selection process for their organizations by hiring right candidate the first time have the competitive edge. And, when employees are matched with the right jobs, then the amount and quality of work is more positive.

Therefore, to staff your organizations with the right candidates you need to think of (1) Defining the required skills, (2) Attract the right people, and (3) Select the best person, and you are ready for the battlefield.

Importance of Culture

Sun Tzu said "The Art of War, then, is governed by five constant factors, to be taken into account in one's deliberations, when seeking to determine the conditions obtained in the field. These are: (1) The Moral Law; (2) Heaven; (3) Earth; (4) The Commander; (5) Method and discipline".

Moral Law defined in various dictionaries and literatures as beliefs, values or ethics followed by people in a society or community. In this interpretation it refers to organizational culture and how people behave within an organization.

The moral law as explained by Sun Tzu means that a leader must win his people's heart, making them think the same things as he does, so that they are willing to make sacrifices for him. Leadership and organizational culture are closely related: the leader may influence organizational culture and vice versa.

Organizational culture founded on values, beliefs and norms that are embraced by leaders daily – in what they say and what they do – are those that will take root and remain. Leaders who honor people's basic need for health, security, recognition, belonging and a sense of purpose in a manner that aligns with cultural



traits of an organization provide an environment that motivates and builds the organizational synergy required to breed success. The culture institutes standards of tolerable behavior and an understanding of organizational operating styles.

HR practitioners must be able to define organizational culture in order to be able to manage it. As mentioned In Search of Excellence, Peters and Waterman drew a lot of attention to the importance of culture to achieving high levels of organizational effectiveness¹. Such culture can be instigated in any of HR activities such as recruitment, selection, performance management, reward system, interpersonal communication...etc. The HR professional becomes "de facto" agent of culture change.

Therefore, how to develop a culture that benefits the development of an organization has become a very important issue for HR practitioners. HR plays a significant part in the process of embedding it and supporting leaders as they walk the talk.

Heaven refers to the analysis of the market trend. Sun Tzu means the changes in times and seasons, such as night and day, rain and shine, and cold and heat, which, when broadly applied to business operations, may include the analysis of market changes and future development of business.

But for HR it means workforce

trends, retention issues, and war for talents, employees' satisfaction and any other issues that can impact directly or indirectly on the composition of the workforce for an organization. Thus, HR practitioners ought to prepare such analysis when developing their annual HR plan.

Earth equals the evaluation of environmental traffic. Sun Tzu's earth means great location, including the distance and convenience of traffic, height of location, and width of the store space, etc. HR plays an important role in ensuring employee health and safety, as they know the workplace, the employees and their job demands, by creating healthy working environment through considering the physical conditions like lighting, heating and air-conditioning, as well as workplace safety to prevent and/or mitigate loss, risks to or from personnel, threats to its physical assets, damage to its technology and intellectual property, or risks of any other kind arising from all elements surrounding the work environment.

The Commander signifies the criteria for recruiting talents. As mentioned earlier Sun Tzu's commander equals leader, who should possess five qualities –wisdom, sincerity, benevolence, courage and strict. As the competitive ability of a business comes from high quality supervisors, how to find excellent talents that match the features, culture and job needs of the organization relies heavily on a sound recruiting system.



Method and discipline refer to the establishment of rules and regulations. By method and discipline, Sun Tzu means the establishing of the organizational structure, the allocation of rights and duties, etc.

Therefore, creating coherence and harmony within the organization, making employees cooperate well with one another so as to manifest the values, beliefs and missions shared by group members becomes a necessity for successful HR practices.

Rewards Strategy

Sun Tzu said, "For them to perceive the advantage of defeating the enemy, they must also have their rewards."

Rewards are necessary for the soldiers to see the advantage of defeating the enemy. Therefore, Spoils of War must be used as rewards. In war the spoils of the enemy might vary from supplies, food, weapons, ammunition, horses, slaves, or any material item of value that is confiscated at the end of a battle. It is important to reward the troops to keep them engaged and motivated for the next battle.

Likewise organizations have their own spoils but in the form of profits, financial results, and stocks, that are gained from competing in the market place. If a company has a successful year, wins new business and posts great financial results, the profits must be used as rewards so that employees will have a keen desire to perform.

If only the Executives earn the rewards, or the owners kept it, and the employees are continuously told there is no money left, there will be negative consequences. Engagement will drop, the quality of work will be impacted, and eventually the people will lose any desire to win the next battle.

Employee will give their maximum when they feel that the management will reward their efforts, initiatives and performance. If employees aren't rewarded for their performance, the only incentive is to avoid being punished for doing poorly. This is a great way to breed an apathetic and mediocre workforce. So give them praise and encouragement. Share with them the spoils of war, and they'll be ready to fight.

Thus, HR practitioners should create rewards system that recognizes employee performance and behavior. Performance is the easiest to address because of the direct link between the initial goals set by the organization to the employees and the final outcomes that result 'Pay for Performance'. What about rewarding behavior?

In war, the victorious general should share the spoils of war with his men because it was by their effort and their sacrifice that victory was achieved, and in business too, board members, GM's, CEO's and/or owners must share the profits with their employees who were doing the actual job for them.

Finally, organizations that hope to reap the rewards of a committed, empowered workforce have to learn to stop kidding themselves, and know that they will be out of business faster than they may think when their brains and muscles leaves them and sooner will be defeated in the war of business.

Training Strategy

Sun Tzu said, "Without constant practice, the officers will be nervous and undecided when mustering for battle; without constant practice, the general will be wavering and irresolute when crisis is at hand."

In warfare skilled troops establish positions that make them unbeatable and do not miss opportunities to attack what the enemy values most, when they become vulnerable.

Similarly, in organizations that don't have training programs may lose good employees who want to progress in their career and consequently lose the competitive advantage, or if they try to retain good staff without investing in them often end up being the loser in the war for talent.

Training and developing the workforce is not something to be taken lightly. It calls for the same rigorous approach to strategy, planning, and return on investment. As Jeffrey Pfeffer mentioned in his book 'Competitive Advantage through People: Unleashing the Power of the Work Force' – if competitive advantage have to be achieved by people, then the skills of those people are critical.

Finally, the writings of Sun Tzu, The Art of War, offer tremendous valuable insights into the mental state needed to succeed in the management of modern business and its human capital.

If the past cannot teach the present and the father cannot teach the son, then history need not have bothered to go on, and the world has wasted a great deal of time - Russell Hoban