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## Relations between Customers, Employees, and the Human Resource Management Department: The Evolutionary Approach

The twentieth century is considered the golden age of human resource management. Growing interest in this field can be attributed to a perception of the importance of HRM in creating organizational well-being. In this light, there is justification in treating HRM as a facilitator of business change based on intangible resources. This paper has two main objectives. First, it is intended to identify and verify methods allowing HRM novelty assessment within the organization. Second, the paper aims at assessing the impact of change novelty in HRM on the organization itself and its broader context.

### Introduction

Innovativeness and organizational learning are mainly dependent on the quality of HR practices. Employees who are successful do not necessarily have to search for the opportunities or be entrenched in routines. Thus, the organization is led into a state of equilibrium. The role of HR specialists is to evaluate the level of equilibrium and animate employees to break it. They do this by enforcing and promoting environmental change dynamism within the company. An interesting challenge is created by the incorporation of the HR department so it capitalizes on the relation with customers. This is a new, emerged role of HRM. It stresses the conclusion that changes in the HR function and in its ways of acting are something that is unavoidable. For example, Vickers [2007, p. 21] clearly states: “The HRPA/i4cp survey illustrates that in most organizations the HR function is struggling to adjust to the new strategic challenges associated with organizational growth.” Vosburgh [2007, p. 19] argues that “the simplest roadmap feature of this HR evolution is the insight that strength comes in outsourcing transactions and insourcing transformation.” Laurie [2007], in describing the problem of innovation platform creation, argues that there is a need for focusing attention to relations among

three fields—the customer dynamic, enablers (i.e. new or converging technologies), and capabilities (technical, organizational, and process). The described innovation platform helps to discover a new growth platform, hunting ground, or opportunity space, and a new domain.

It seems that the presented arguments allow the statement that HR departments show their business side. Using their competence in diagnosing people potential, they can develop outside of traditional organizational borders and formalized strategic plans. While thinking about the future, one can suppose that in times of intense human capital investment, HR departments may become the business creators. HRM may be described as a business, not only a business partner. Even if such a reflection is perceived as being very courageous, HR function changes and the HR role are going in the direction of higher pressure being applied to HR as a partner in building business success as well as an opportunity creator (based on tacit knowledge). Several questions arise in this context: How can the HR department evaluate the value of information supplied by customers? How can opportunities created by employees and their relations with customers be identified? It is easiest when customers are criticizing the promoted products and services. In such a situation it is enough to adapt and improve the service or product. However, how can the HR department develop new business opportunities when customers are satisfied or even when they learn how to be the company's competitor with its cooperation? Such situations are frequent when an organization is based on knowledge and is constantly developing its customers (training, consulting agencies). Such questions seem to lead to a search for solutions to the problem of novelty assessment, which is created in relations with customers. Such evaluation may become the prolegomenon to building a business based on such novelty.

Presented here are the basic elements of the concept based on knowledge and supplied by the evolutionary approach to organizational change. The model helps to evaluate the relations between customers, employees, and the human resource department.

### **The Novelty Assessment in Relations between Customers and the Organizational Proposition**

In the typology of change introduced by Van de Ven and Poole [1995], one of the types of change analysis uses the term *evolution*. Baron [2006] indicated that the evolutionary approach is used to explain the phenomenon connected with organizational change. In other words, this perspective helps to understand, how and why organizations and industries emerge, develop, and sometimes disappear, as well as why and how the diversity of organizations and organizational solutions appears. This approach “offers substantial help with the task of understanding how firm behavior shapes the economic system, or

how managers shape firm behavior, or how technology and economic growth are shaping the future planet" [Winter, 2005]. This perspective helps in finding answers to the following question: Why and how do organizations differ and what are the results of this differentiation? [Noda, Collis, 2001]. The use of the evolutionary approach to organization analysis brings many interesting and useful results. It is possible to use this approach to analyze relations between fuzzy organizations and their environment.

In the area of management, economics, and the field of organization, the use of the evolutionary approach produces the desired results. Many researchers have made attempts to review the most important studies on this perspective [Durand, 2006, Winter, 2005]. As a result, the use of the evolutionary approach is recommended [Kaufman, 1999; Camuffo, Volpato, 1995]. The work of Nelson and Winter [1982], Hannan, Freeman [1977], and Aldrich [1979] is of great importance to today's research in the field of management and economics.

However, the potential for explaining the reality hidden in the evolutionary theory is not sufficiently used in HRM research. The notion of "evolution" is often used in the field of HRM, but only in connection with the chronological point of view—the comparison between two or more stages of a theory (trends, development), for example [Ferris, Hall, Royle, Martocchio, 2004]. It is in such studies that authors use the term *evolution* to describe historical comparisons of different objects in HRM [Kaufman, 1999; Camuffo, Volpato, 1995]. These analyses result in guidelines on future directions of theoretical study development as well as in the shaping of the future [Ulrich, Losey, Lake, 1997]. It seems that such a temporal order does not exploit the evolutionary approach to the fullest. Many emphasize that the evolutionary approach is a complex construct. This perspective is not a single theory, but rather it consists of a family of concepts connected to the following authors: Jean-Baptiste de Monet, Chevalier de Lamarck [1744–1829], Charles Darwin [1809–1882], Herbert Spencer [1829–1903], Gregor Johann Mendel [1822–1884], and many contemporary researchers. From all these studies, it is possible to draw a conclusion that evolution is the unifying paradigm, which is responsible for the organization of more than just the principles of biology.

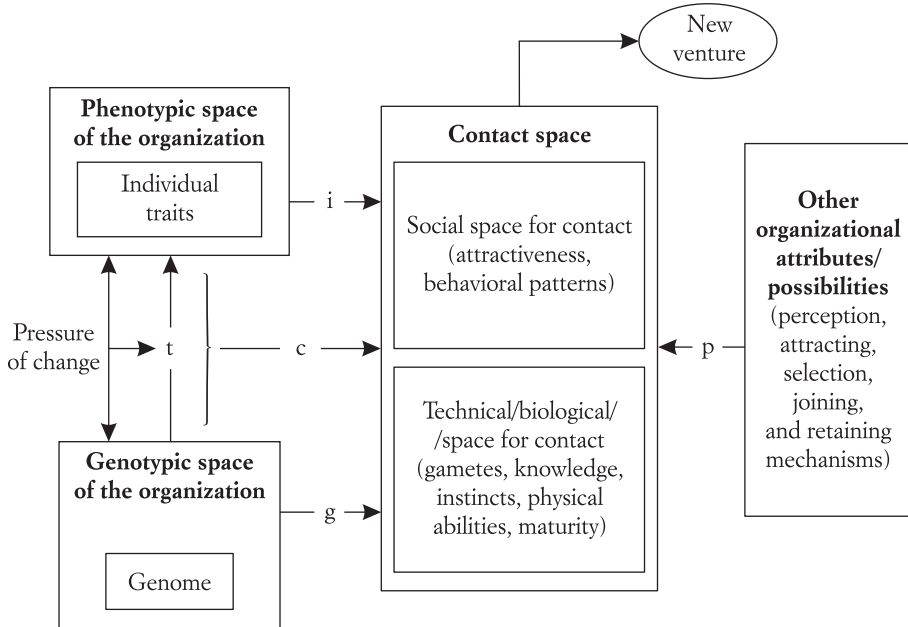
The inspiration for our construct forms the scheme presented by Durand [2006, p. 14]. In it the evolutionary process of transformation that distinguishes genotypic space and phenotypic space. These two concepts have different roles and significance in creating changes. In genotypic space, it is important to identify the genome (the totality of genes) and the genotype (the set of genes of an individual, its genetic constitution). The phenotype is understood as the total all-observable features of an individual that result from interaction between the genotype the individual inherited and the environment the individual encounters [Durand, 2006, p.14].

This idea determines the basis of our proposition. Moving away from the details of Durand's concept, we diagnose the essence of the HRM genotype and emphasize the mechanisms for creating new organizations or different elements of the social environment. More specifically, we draw two issues in a different way than Durand [2006]. First of all, we treat genotype and phenotype as the bundles of HRM practices (recruitment, selection, compensation, development, lay-off, etc.). In this way, we are close to Nelson's and Winter's concept of *routines*, understood as a general term for all regular and predictable behavioral patterns. In our opinion, only some HRM practices form a genotype. Some of the practices can become "new routines" (a change of genotype that was proposed by organization). The rest constitute the HRM phenotype. Genotype is treated as "routine *per se*"—the abstract activity pattern [Sidney, 1995] that is responsible for the "species distinctness" of the organization. Identification of the genotype is not a simple task because the distinction between genotype and phenotype is not necessarily clear [Hodgson, 2003].

As in the case of the Nelson and Winter proposal, the issue of relations among routines, attributes, and resources remains unsaid in our study. It is our conviction that excessive precision in separating these concepts can result in a lack of veracity of the research. More important is the inspiration for theory and practice resulting from these studies than orthodox definitions. Consequently, we assume that the actors consciously create or accept the new bundle of HRM practices and that they nurse a hope that this bundle will "metamorphose" into routines or that it will reinforce existing routines. A newly introduced reward system that should change employee behavior can be strengthened or rejected, for example. We assume that at the moment of analysis of particular HRM practices it is difficult to predict with absolute certainty whether such activities will gain acceptance or not.

Although in this situation we do not include the concept of a "grammar of action" [Pentland, Rueter, 1994] in our analysis, we take into consideration a wide context of practices. By doing so, since we are not aiming at any determination of the genotype of an existing organization where changes were made, we try to assess the possibility of creating a new organizational genotype (in the extreme case, a new venture). In our view, bundles of HRM practices that are reproducible and are considered as important for organizational actors as for outside observers, provide patterns called the HRM genotype, while the conditions of specific actions and impermanent, incidental activities form the HRM phenotype. Another difference between Durand's perspective and our own is associated with the change mechanism. Using Durand's scheme, we add some new elements to it. As a result, we formulate the basic proposition of the relationship between different organizational elements (Figure 1).

Figure No. 1. Crucial Organizational Image Components from the Extended Evolutionary Perspective



Source: Own studies.

Figure No. 1 draws attention to organizational components and underlines the meaning of contact space. In addition to genotypic and phenotypic space, it also includes contact space, which can be characterized as social and technical space for contact as well as the attributes or possibilities of other organizations. The survival and growth of the organization depends on its willingness and support given to contacts with the environment (other organizations). In keeping with the biological analogy, an organism has to be able to create gametes and attract other specimens. Consequently, in the world of organizations such attraction allows for the acquiring of necessary resources and forces organizational development and growth. There are three types of arrows in Figure No. 1: continuous lines (*g*, *i*, and *t*), dotted lines (*c*) and intermittent lines (*p*). Different line types reflect different character relations. For example, continuous lines represent clear and distinct relations. The relation presented by the *t* arrow—transformation—is a result of change of genotype into phenotype. This issue was presented and described by Durand [2006]. The relation presented by the *i* arrow—imagination—depicts the creation of the social space as well as physical improvements made by the individual with the main purpose of attracting the attention of other organizations. The *g* arrow depicts the biological ability to create gametes. It also represents behaviors accompa-

nying instincts or knowledge resulting from interrelations (neurons, for example). The *c* arrow—complex effect—represents hard to observe relations between genotype or phenotype and the social or physical perception of the organization (individual). Finally, the *p* arrow grasps the other organizations' ability to perceive the contact space. Even well done “makeup” and a readiness to create a new individual (organization) cannot guarantee success without the mental or physical space.

As presented, Figure No. 1 creates many research possibilities. It also allows for an evaluation of the novelty of change in the field of HRM. The methodological implications of Figure No. 1, with respect to the evaluation of the novelty of solutions in the HRM field, can be presented using the following three steps: Step One – Initial identification of the HRM genotype as well as the situation within the given organization. Step Two – Identification of changes in HRM practices (in relation to changes introduced by HR activities in relations among organizations and customers). Step Three – Assessment of the novelty of a change and the attraction resulting from the change itself (in this case it is the effect of the introduction of changes stemming from HR department activities in the relations among organizations and customers). These three steps are presented and described below.

**Step One** – Initial identification of the HRM genotype as well as the HRM situation within the given organization. The genotype is a durable pattern. The researcher usually analyzes an organization over a certain period of time. Therefore, the researcher actually creates a supposed pattern of HRM practices and then decides what is and what is not a genotype, just like a biologist would decide. In successive steps it is possible to verify if the conjectures about genotype characteristics were correct or erroneous (by identifying the resistance to change). This identification can be carried out on the basis of documentation analysis, storytelling, external consultant assessment, etc.

**Step Two** – identification of changes in HRM practices. This task can be based on interviewing change participants, researching organizational documents, observation, and other research techniques. The novelty can be perceived on the level of the phenotype. It may be the exception from the genotype, though this is not necessarily so. It can result in fostering or changing the existing genotype or in becoming a new pattern (genotype). The novelty might go on to become relatively constant dispositions and strategic heuristics that shape the approach of the firm to non-routine problems. In viewing novelty as identifiable on the level of the phenotype, it becomes necessary to humbly accept the specificity of evolution in the social sciences. In the change introduction phase, or just shortly after introduction, it is difficult to achieve a state characterized by familiar properties, such as regular, tacit, automatic, repetitive, distributed, situated, rule-based, and political [Narduzzo, Rocco, Warglien, 2000, p. 27]. However, it may be assumed that such properties of HRM practices will appear in the future. In this vein, what is

pointed out as a weakness of the Nelson and Winter concept—imprecision in defining routines and poorly drawn borders between the genotype and phenotype [Hodgson, 2003]—creates an opportunity for understanding the novelty scale of the organization and may help managers in assessing the value of the change. In this way it is also possible to build a conceptual bridge between the concept and capability routines mentioned by Dosi, Nelson, and Winter [2000]. Speaking about capabilities, Dosi, Nelson, and Winter [2000] say what follows: “To be capable of some thing is to have a generally reliable capacity to bring that thing about as result of intended action. Capabilities fill the gap between intention and outcome, and they fill it in such a way that outcome bears a definite resemblance to what was intended” [Dosi, Nelson, and Winter, 2000, p. 2]. The above-described change can create organizational capabilities that, with time, may become routines. Meanwhile, capabilities can emerge from routines [Narduzzo, Rocco, and Warglien, 2000] and consequently lead to changes. Phenotype and genotype are mixed during the change processes, but such a mix does not challenge the general evolutionary theory rules. The sequence of changes becomes an organizational fact, causes evolution, and does not oppose organizational inertia and the need for constant adaptation.

**Step Three** – The assessment of the novelty of the change and attraction resulting from the change itself. In this step the novelty of the change is assessed and its ability to attract is evaluated. The ability to attract constitutes a possible effect of the change. Assessment and evaluation is carried out by the researcher on the basis of [1] identification of changes in the genotype, [2] data on the results of introduced organizational change, data from other organizations, or even data from the whole branch or industry, [3] information about the interests of organizations in the change effect, especially information from other organizations regarding why they are going to buy (employ) employees who are animating change, and [4] professional knowledge about the atypical nature of changes (uniqueness).

The historically shaped genotype creates a bundle of constant, previously existing, organizational HRM practices. New phenotypic features of organizational HRM practice are presented just after the introduction of the change (the intentional recombination of existing practices, for example) or even during the change process itself. Their existence influences the level of organizational attractiveness and its ability to attract the attention of other organizations. Attractiveness and ability to attract create an organizational climate for new, potential genotypic practices or, on the contrary, they can enforce existing bundles of HRM practices. The history of change effects constitutes the basis for the assessment of that issue. The lack of interest, enforcement of the exiting genotype, diffusion of new patterns, or a completely new organizational situation can and should be assessed. Strategic resource attracting processes make up an important

aspect of organizations after the change introduction. During such attracting processes, a new organization with its different genotype or a new organization with a repeated genotypic pattern can be created. In such a situation HRM theory describes this as best practices that are decisive in any ability to survive by the given organizational species. Businesses that are able to use such feedback for overtaking the competition are becoming more and more profitable. This happens because molded universal practices create mechanisms similar to the “meme” mechanism that causes something to become common throughout society [Dawkins, 1976]. Such a model moves research towards an extending of the phenotype concept [Dawkins, 1982]. As a result, it is possible to evaluate the differences in genotypes and phenotypes of organizations potentially ready to join as well as the dissimilarity of newly created organizations (from the external evaluator’s point of view).

The above three basic steps can be translated into a set of key research problems. These are presented in Table No. 1.

**Table No. 1.** HRM Analysis Model Based on the Evolutionary Approach

<b>General questions resulting from the evolutionary approach</b>	<b>Key evolutionary approach assumptions</b>	<b>Key assumptions and answers on reproduction in the HRM field</b>
What can be recognized as a stable pattern (genotype) of organizations of given type?	Genotype and phenotype	Stable, specific HRM practices and their attributes as well as accompanying variable identification (HRM genotype and phenotype)
How can the change be characterized?	Differentiating	Change attributes and changes in the field of HRM practices
To what extent is the change different from what is characterized as the durable, stable, organizational characteristic? To what extent does the change affect secondary organizational characteristics?	Differentiating	Change attributes and genotype comparison
To what extent can the change affect the organization’s genotype?	Selection (internal change)	Conclusion regarding the change effects on the parent organization (transformation, adaptation, metamorphosis, development, integration, growth, etc.)

<p>To what extent does the change have the ability to attract other organizations on the genotypic or phenotypic level?</p>	<p>Selection (attractiveness)</p>	<p>Conclusions about the attracting of external resources, level and ability, and organizational attractiveness after the change introduction (convergence, adaptation, etc.)</p>
<p>To what extent will the merging of different organizations as well as opportunity recognition and exploitation influence change mimicking organization? Will a new pattern different from the patterns of the merged organizations emerge?</p>	<p>Selection, the chance for retaining, introduction for further differentiating.</p>	<p>New organizational species characterized by the ability to survive in the environment (innovation, mutation, deviation, combinations)</p>

Source: Own studies.

As a result of these thoughts, the novelty (innovativeness) scale can be presented as follows: Level One, where introduced changes in the HRM field are aimed at optimizing and resolving current problems as well as inaccuracies or dysfunctions in the genotype of the given organization, although the pattern itself does not attract other organizations. Level Two, where innovations are lead to an increase in the attractiveness of the pattern (by recombination, for example). In this case the pattern attracts other organizations similar to the organization that initially introduced change as well as any other organization from the given industry. The latter organizations, in order to survive, are forced to imitate and adapt only those practices that are perceived to be universal or better. Level Three, where innovation in the HRM field changes the currently prevailing pattern and the new pattern starts being attractive to different organizations, including those operating in different industries, but simultaneously, the genotypic patterns of the parent organizations are left unchanged. Level Four, where innovation in the HRM field generates unknown patterns that intersect with currently applied action logic. The organization creates a new genotype that attracts other organizations searching for new and different opportunities.

Changes that are on the first to third level result in the enforcement of the existing genotype and can possibly lead to a change of phenotype. However, a new organizational genotype is created in the fourth level. HRM starts to create new business in the third and fourth level, but it is only on the fourth level that novelty leads to the creation of industry level innovative solutions and can result in a discontinuity of development known from the “punctuated equilibrium” concept. On the basis of presented scale, it is possible to search for opportunities for new changes, assess suggestions by development managers, and find inspiration for subsequent changes.

## Theoretical Attempt at a Methodological Proposition for Application: The Case of a Technical Supervisory and Assessment Organization

### Situation Description

The company that was subject to analysis contributes to the development of the national system for working safety assurance, technical progress, and environmental protection. It offers up-to-date methods for expert assessments of machinery and equipment that are covered by regulations related to technical and transportation supervision as well as geological, ecological, and mining law. The organization possesses unique accreditation certificates allowing the carrying on of research and the evaluation of safety conditions in the coal mining industry and recently also outside it. It has been in operation for more than fifty-five years. It has been in its current organizational form (commercial company) for only fifteen years, however. The market position of the company is strongly related to demand from the Polish mining industry (which is state-owned and centralized). Recently, a growing share of its income is the result of serving customers from outside the mining industry. Its market position is quite stable. Four divisions and a head office can be distinguished in its organizational structure. Each of the divisions offers different products and services. The divisions are in competition with each other. Headquarters makes strategic, developmental, financial, and promotional decisions. The company is owned by the state. Division managers are learning how to manage the company strategically. They were successful at an operational level so far and they care for the position of their staff. Marketing and HR departments are just beginning to familiarize themselves with new resource management and new market conditions. Employees are divided into three groups—management, specialists (serving customers, referred to as assessors and auditors), and back office employees (accountants, HR, etc.).

### Initial HRM Practice Genotype Identification

On the basis of collected data (observations and participation in the company change programs, interviews with managers and employees, and document analysis) one can suppose that the company genotype is composed of specific and stable HRM practices.

Planning concentrates on employment stability. However, considering the possibility of firing resulting from incompetence or the lack of demand (the mining industry really needs the assistance of this organization, but periods can be identified when it failed to pay fees due). The need for employees is negotiated between the division managers and the CEO.

Recruitment. For many years the company has been trying to maintain its level of employment and employee benefits. Currently, the company is searching for new em-

ployees with higher educational qualifications, experience, and the ability to act independently and lead projects.

**Selection.** The most important are substantial competencies, customer knowledge, and an ability to tolerate company division autonomy as well as mistakes in order to maintain a sense of community. Older employees are generous and helpful to younger staff members. However, their organizational position, measured by power and compensation, is higher. During selection, employee referrals are important.

**Compensation.** Compensation is an outcome of performance and is related to the number of orders. Simultaneously, a hidden conflict can be identified. It involves the basic contradiction between developing new fields and exploiting the currently served market (exploration versus exploitation). The level of compensation is dependent on seniority and competencies, where managers receive compensation at a similar level. The CEO makes the main decisions, where they are discussed with the division managers. The HR department only prepares the administrative part of compensation decisions. The motivation system is based on individual employee feelings—the conviction that he or she possesses the highest competencies in a certain field and that the job being performed is very important. Penalties for mistakes are incidental. Employees value the stable position of the company as well as its location close to their place of residence. The average age of the employees (over forty) is important in terms of orientation towards stability. Some employees have the option of earning more through serving other companies outside official orders. However, such work is insignificant. Managers do not pay attention to such situations.

**Career.** The long-term ability to acquire knowledge and unique qualifications gives employees a strong position in the organizational structure, independent work possibilities, and a sense of personal high value. Rarely do employees leave the company to move to the competition. Starting an own business does not make sense as it is expensive to meet formal requirements (accreditation and certificates). Accumulation of high qualifications creates a permanent connection with the job and the company.

**Development.** Employees undergo extensive development in the form of on and off the job training. They are required to pass examinations. This training is aimed at developing substantive competencies. Managerial training has been introduced recently. The best employees train their friends throughout the organization as well as in other organizations.

**Firings.** The most frequent reason for leaving the job is retirement or a voluntary change of workplace. The majority of key employees is characterized by high competencies. They feel responsible for carrying on their projects. For this reason dismissal because of low effectiveness or inappropriate behavior is rare.

These practices have been characteristic of HRM over the past fifteen years. However, in the preceding socialist period the organization was a part of a mining industry mega-structure and its genotype was different. The striving for lifetime employment, the high tolerance for mistakes coupled with low achievement, and an orientation for employee and social calm are probably the consequences of those times. The high average age of the staff is probably also a factor affecting HRM activities. The mix of old and new HR practices is well illustrated by requirements formulated to meet the needs of recruitment advertising: “We offer a job in a company with a stable market position, high level of independence, contact with the most modern of technologies, development and career opportunities, a free training system, and a nice work climate.”

Currently, the organization is trying to search for new market opportunities and new sources of income. Simultaneously, it may be assumed that the organization considers itself as a back office of a big industry, with important and dominant customers. On the one hand employees feel proud of their competencies, while on the other, they feel dominated by their big customers. It is from this opposition that they try to move on to other customers, but this leads to the necessity of investing in new products. Thus, a part of the staff has no possibility of capitalizing on new customers as they are serving the old ones—the mining industry.

### **Novelty in HR Department Practices**

The analyzed novelty is related to a change of roles and positions in the organizational structure of people dealing with training and development. As written earlier, the genetic part of practices is the training and developing of the employee competencies. People with necessary skills (assessors and auditors) employed by the company, as well as the specialists from outside of the company, provided the training. Employees with greater knowledge taught employees with lower competencies as well as organization customers. The liberalizing of the service market in 1989 forced the investigated organization to train employees of competing organizations. Therefore, they trained competitors. Such enforced competition was a result of legal regulations. These legal requirements put pressure on the highly-qualified assessors and auditors to train competitors. Before the change, selected employees of the HR department helped organize the training process. Basically, the whole process of searching for customers and conducting training was organized by assessors. It was an almost completely unimportant part of their activity and it was treated as a cost center by the organization, albeit it did provide some opportunity for profit by the assessors and auditors.

The level of training increased rapidly when the new CEO arrived. Moreover, a new division responsible for training was created. That division not only took care of training, but also enriched the range training topics to include new ones. The training strategy as

prepared was typical and dealt with developing the new activity without paying attention to the fact that some training created competitors for analyzed organization. The CEO has not prepared any rational way of dealing with such a conflict of interest. As long as the training and development department brings in at least a small volume of profit to the organization, the problem is not perceived to be important. The problem is all the more difficult to observe as the quantity of the primary services increases, and with it profit. This does not mean that the TMT is not afraid of coming back to a situation in which the demand for coal collapses and the mines become insolvent. Therefore, some attention is being paid to the development of relations with other customers.

#### **Assessment of Novelty and Chances for Genotype Change (the Resource Selection-Attraction Mechanism of Other Organizations)**

By applying classic analysis to the change related to development and reorganization of the training activity, it is possible to miss its importance to the company. Training activity was carried out by the company and its development relied on specifying a group of people—a team—responsible for the activities. Until the change arrived, these people formed an in-house department. Now, they started to search for market opportunities. This is a classic example of creating a new field of activity. Simultaneously, the development of the new division remained under the influence of market and business forces. On the one hand, the key company resources that can be sold by the training department are the knowledge held by its auditors and assessors. On the other hand, selling such resources may decrease the level of competitive advantage. This is a typical situation facing companies of the new economy with advanced business structures divided into divisions. Known strategic concepts and market analyses leave this to be exploited by managerial creativity. Already presented, the evolution theory approach brings methodological assistance. It helps inspire managerial creativity while simultaneously bringing methodological background to cap managerial fantasy and irrational investments based on intuition. After applying analysis based on the evolutionary approach, it is possible to notice that the company faced an opportunity to introduce novelty. On the basis of the proposed evolutionary approach, it is possible to suggest a subsequent evaluation of the novelty in the HR department (Table No. 2).

Table No. 2. Assessment of the Novelty Scale

Novelty type	New effects (novelty) resulting from the isolation of training activity	Evaluation of the influence of the change on the HRM genotype within the organization
Repairing HRM genotype errors	Introduction of new rules and best practices in the training organization and divisional structure	Change located at phenotype level, with attention focused on the need to analyze the possibilities of selling training
Phenotype enforcement and genotype consolidation	Development and qualitative change of training practices leading to the isolation of a separate division: a change not introducing anything new to the described HRM genotype	Division isolation leading to the freeing of other divisions from the necessity of increasing competencies in the field of selling knowledge; the introduced change has not led to novelty diffusion in another divisions, but has strengthened the existing genotype, which isolates various aspects of company functioning
The new genotype resulting from crossing genetically different organizations	Training division employees intensively contacting other, external organizations specializing in developing training activities; contacts with new customers also created and developed	Creation of a new division genotype combining traditional services for the current organization and a readiness for competitive moves aimed at attracting new customers, where the division started to be alienated from other parts of the company and aimed at surviving in the environment
A totally new and original genotype	Employees proved incapable of introducing the concept of knowledge management in the parent organization as well as unable to employ huge experience in creating new HR management concepts within the organization	The introduced change has not forced the organization to experiment with the new HRM genotype within the organization as a whole, where the consequence is that the novelty is only divided into parts

Source: Own studies.

The presented example clearly shows that change introduced in the field of HRM created an interesting situation in the “connection space.” Not only has the change attracted other divisions of the organization to the training division, but it also increased the gap between them. Specialization has led to the larger distinction. The managers of other divisions felt freed of any need to develop training processes in their own divisions. HR did not open the organization to training companies. It started to filter information and freed them of the necessity to gather knowledge. Applying organizational knowledge, the training division developed and maintained contacts with training agencies and new customers. However, it did not accept the role of a learning process managing team for

the whole organization. This is especially important, as the value of the organization is dependent upon the knowledge of its members. While potentially profitable, the new training policy was not introduced within the company for external customers. The presented table shows that it would be supplying necessary competencies to competitors while simultaneously developing the parent organization's training abilities. Operating in the "connection space," the organization has not created any unique novelty, but only replicates known solutions. However, in the area of internal clients, a genetic change can be observed, although it is still the result of "organizational regress." Moreover, the management of the organization as a whole has accepted this situation and has nothing against the currently carried on business.

## Discussion

Boundaryless organizations coupled with new relations between employees and customers create new challenges for company managers. Moreover, such challenges are multiplied by the need to merge the intellectual capital of both employees and customers, which can lead to positive effects for both the organization and environment [Theyel, 2001]. The processes of achieving and maintaining competitive advantage is highly influenced and based on the HR department. The presented method, verified in the case study, may help implement the role of HRM and facilitate the discovery of new business opportunities by the HR department. Opportunity recognition may become a strategic asset for the company [Alvarez and Barney, 2001]. Evolutionary theory helps clarify and understand contradictions between environmentally determined organizational actions and the freedom of choice resulting from the organization's activity. Approaches presented by Winter [2005], Hannan and Freeman [1977], Aldrich [2007], and others stress the significance of available resources that are necessary for survival, density (size), competition, and structural inertia, while at the same time considering individuality and freedom in making strategic choices by organizational members. It also takes into consideration the ability to resist the changes from environmental conditions as well as an ability to create environmental conditions by the organization itself.

The case study presents analysis of a situation in which HR department started from traditional development actions aimed at improving relation between employees and their customers, and subsequently could move on to creating key competencies and a new knowledge-based business. Unfortunately, the managers used traditional methods. HR activities only provided assistance, no creative role. The use of the evolutionary theory allowed the discovery of a new collaborative quality between the organization and its customers. The situation was one in which customers shaped employees, and employees shaped customers, which allowed the use of the verified evolutionary theory

methodology to evaluate managerial decisions and guide them. The point of reference in our proposition consisted of the chance to create a new organizational genotype—a genotype that can be reproduced during contact with other parts of the company or other companies. Thus, the HR function may become a strategic player adding value by making things happen for customers [Beatty and Schneider, 1997]. Traditional business analysis methods do not emphasize this aspect, which is so important in these days of mergers and fusions. The process of knowledge acquisition and exploitation has significant influence over company success [Conner and Prahalad, 1996].

The presented solution has its limitations. Firstly, the method of presentation allows verification of only one, single case. Consequent studies on more companies seems to be necessary. We have already researched several different cases, but a greater quantity is necessary. Secondly, the method of gathering data about the current genotype has to be improved. The confirmed theory seems to bring a solution to that problem, while helping to make data more objective. On a theoretical level, the presented approach requires more confrontation with well-known evolutionary approach concepts and references to other management theories. In the field of HR, the suggested approach make “becoming a business” the most significant challenge. HR specialists possess the necessary competencies in acquiring and motivating the most important resource of the company to enter the business processes. A rising challenge for HR specialists is certainly creating new business with single employees. The potential created in relations among employees, customers, and HR specialists is the beginning of such activity. It is a beginning for activities oriented at people and simultaneously at the new problems and tasks facing HR specialists (the problem of loyalty, becoming strategic decision makers, responsibility for the whole organization, and individual career planning, for example). After employing HR in such activities, the move of the HR department towards taking the position of most important organizational actor is not only a mere declaration, but might become a fact.

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