

SETTING INTERNATIONAL STANDARDS IN HUMAN RESOURCES

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Abstract:

As a result of globalization, more organizations are expanding internationally, which makes human resources increasingly mobile and global. In this context, managing workforce governed by a global culture is becoming increasingly difficult for the organization's human resources departments from the country of origin. Harmonization of human resource management practices and procedures through development of standards in this area is essential to ensure processes effectiveness and quality improvement. In this paper, we review standardization efforts in human resources management and we propose the development of a general standard for this area in order to enable multinational organizations to successfully manage human resources in countries with different cultures.

Keywords: international standards, human resources, ISO, SHRM

1. Introduction

The evolution of the current economic situation and increasing globalization and competitive pressure led organizations to assume compliance with international standards. International Standards are “documents developed through consensus and approved by a recognized body, which set for common and repeated use the rules, coordinates or characteristics for various activities or their results”, in order to achieve optimum degree of order and regulations in a given context (ISO, 1996).

International standards are useful because they summarize the latest knowledge in a particular area and make them accessible to all. In this way, “standards assist the development and the transfer of knowledge and techniques”. (ISO, 2011). They facilitate trade, spread of knowledge,

technological advances and best practices in management.

The paper aims to review standardization efforts in human resources management area, undertaken by organizations such as ISO, ANSI, SHRM and to emphasize the need to create a general standard in human resources management, that will be accepted and recognized by a large number of organizations and will simplify human resource management in multinational companies.

2. Spreading and impact of ISO standards

ISO (International Organization for Standardization) is an independent and non-governmental organization being the largest global developer of international standards on a voluntary basis. ISO has 166 member countries through their national standardization bodies. The central secretariat is

located in Geneva, Switzerland. In practice, ISO is a global network that identifies international standards which are necessary to business environment, government and whole society, develops these standards in partnership with the sectors directly concerned, adopt transparent procedures and make them available to the whole world to be implemented (ISO, 2011).

International standards developed by ISO underpin the qualitative products and services, operational management systems (environmental, safety, etc.), and facilitate the conduct of free and fair global trade. ISO standards cover a wide variety of economic sectors. ISO standards are developed through a consensual procedure by international experts. Therefore ISO standards are achieved an international consensus among stakeholders from all concerned areas. In this way, "although voluntary, ISO standards are widely recognized, respected and implemented by public and private sectors organizations" (ISO, 2011).

The most used standards of ISO are ISO 9001 and ISO 14001 that may be subject to certification which allows the quantification of their extension in society. Increasing trend of the number of ISO 9001 and ISO 14001 certificates (Table 1) illustrate the significant effect and importance of these standards in society (ISO, 2015c). Based on data presented it can be underlined that the number of ISO 9001 and ISO 14001 certificates will increase continuously

and sustainably as a result of both economic growth and raising quality and environmental. Taking into account the increasingly use of these standards, it can be underlined that the development of a standard under ISO would be a significant advantage for the general acceptance of such a standard (Tschopp et al., 2012).

Although there are standards in various areas of human resources (Social Accountability 8000 standard, ANSI / SHRM 09001.2012 Performance Management, ANSI / SHRM 06001.2012 Cost-per-Hire, ASIS / SHRM WPVI.1-2011 Workplace Violence Prevention and Intervention, HR Management Standards - Canada, BS ISO 29990:2010 etc.), experience and reputation of an organizations such as ISO will be an asset in its overall recognition.

3. The development of international standards on human resources

In 2009, ANSI (American National Standards Institute) instructed SHRM (Society for Human Resource Management) to develop standards focused on human resources that can be used and implemented in US organizations. Society for Human Resource Management (SHRM) "aimed to use the most efficient procedures and practices in various areas of human resource management in any organization" (SHRM, 2015a).

Table 1.

Number of ISO 9001 and ISO 14001 certificates		
	ISO 9001	ISO 14001
1999	343641	13994
2000	408062	22847
2001	510349	36464
2002	561766	49440
2003	497919	64996
2004	660132	90554
2005	773843	111163
2006	896905	128211
2007	951486	154572
2008	980322	188574
2009	1063751	222974
2010	1118510	251548
2011	1079228	261926
2012	1096987	284654
2013	1129446	301647

Source: ISO, 2015c

Until now, SHRM published three standards in the HR management area: “ANSI / SHRM 06001.2012 - cost-per-hire, ANSI / SHRM WPVI.1-2011, workplace violence prevention and intervention, and ANSI / SHRM 09001.2012 - performance management” (SHRM, 2015c). Other standards are in the drafting phase (Figure 1).

Following the steps of developing HR standards, there have emerged a number of views according to which compliance with these standards would

be an additional and unnecessary bureaucratic burden for companies because they do not lead to the creation of additional added value. Therefore feed-back received after publication of the first standards on specific areas has not been characterized by enthusiasm. Consequently, although without stopping, the pace of new standards publication slowed down. SHRM believes it is necessary to obtain the widest possible agreement for full acceptance of standards.

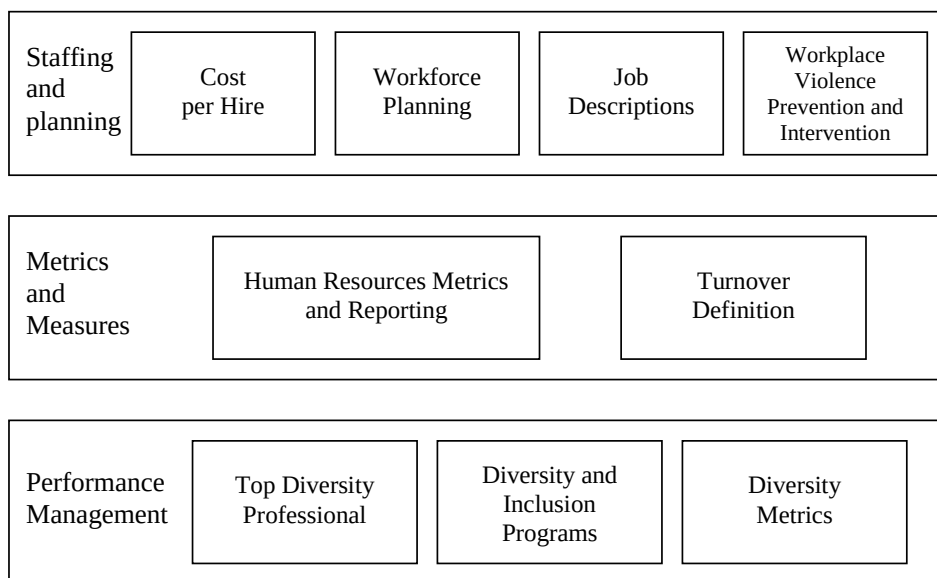


Figure 1. Status of US Standards Development

Source: SHRM, 2015c

"Although there are various laws and cultural differences between human resource management in different countries, one can say that 80% of human resource practices are the same in Europe, America or Asia" (Jacobs, 2013). Moreover multinational companies' activity expands, which makes that the same human resource practices will be applied in different countries on different continents.

In February 2011, ISO established Technical Committee ISO 260 (ISO / TC 260) in order to develop international standards on Human Resources Management. As with all standards, Technical Committee ISO 260 members are countries, represented by their national standards bodies, and individual experts and specialists directly concerned and involved in human resources management (ISO, 2014). Secretariat of ISO / TC 260 is provided by SHRM on ANSI behalf. TC

260 supervises working groups that develop human resources standards in various areas. Working Groups (WG) and task groups (TG) operate within the topics that are discussed and voted by the participant countries and national standards bodies. In addition, the reporting structure includes other advisory committees (CAG). Working groups created to develop standards in human resources areas were divided into six areas: Terminology, Recruitment, Sustainable employability, Metrics, Human governance, and Workforce planning (Table 2). TC 260 aims at establishing uniform rules on human resources management, based on the standards created, that will support organizations to adapt to demographic changes and will allow harmonizing required skills as so human resources will become more mobile at global level.

Table 2**Structure and working groups of ISO/TC 260 - Human resource management**

Standards and projects under the direct responsibility of ISO/TC 260 Secretariat	Subcommittees/Working Groups
ISO/NP 30400 Human resource management - Terminology	ISO/TC 260/WG 1 Terminology
ISO/CD 30405 Human resource management - Guidelines on recruitment	ISO/TC 260/WG 5 Recruitment
ISO/NP TR 30406 Management by sustainable employability of staff	ISO/TC 260/TG 3 Sustainable employability
ISO/AWI TS 30407 Human resource management - Cost-per-Hire	ISO/TC 260/WG 2 Metrics
ISO/CD 30408 Human governance - Human dimension as a fundamental part of the overall corporate strategy - Guidelines	ISO/TC 260/WG 3 Human governance
ISO/NP 30409 Human resource management - Workforce planning	ISO/TC 260/WG 4 Workforce planning

Source: ISO, 2015a; ISO, 2015b

4. The need for an international standard in human resources

The financial crisis of 2008-2011, caused the collapse of long-standing banks, which led to the reconsideration of organizations HR departments' role and their contribution to corporate governance, culture and organizational performance (Swingewood, 2013). The crisis would put on the table the question of standardization need in human resources area. Setting

standards in human resources areas is still problematic for each organization uses its own practice and criteria, it focuses on different aspects, while measures used to increase productivity are varied. However, the potential value of generally accepted standards and professionalization of human resources management are becoming more widely accepted.

The development of international standards in human resources area is currently a work in progress within ISO.

These standards are under development and are based on SHRM standards. Unfortunately, the development process is slow and there is not a unified vision. In our opinion, it would be necessary to establish a framework for creating a single standard in human resources and not creating more standards for different areas of human resources. Such a standard should not have a too high degree of detail but it must contain procedures and general requirements which may be accepted by a large number of organizations (both public and private). The core subjects, which should, in our opinion, constitute such a standard structure, are: human resources planning; recruitment, selection and integration; human resources governance; sustainable employment; performance management; and human resources indicators. The core subjects would then be detailed in practical issues concerning human resource.

The advantages of creating a generally accepted standard in human resources management area are: uniformity of terminology used in human resource management, improved quality and easy access to talents on the labor market, improved conditions and labor relations, increased organizational performance, reduced costs with human resources, improved overall quality of organizational practices and procedures in the area of human resources.

5. Conclusion

Adopting a globally accepted standard in human resources area, given that most countries are members of ISO, could cause HR patterns and processes harmonization and change of business models. If multinational companies would adopt these standards and require suppliers to do the same, there will be a large-scale

change in the approach of human resources within an organization.

Companies that would adhere to such HR standards would benefit from greater reputation and credibility in the sectors in which they operate. The introduction of HR standard is an opportunity for SMEs also, as they could use the knowledge gained from large organizations (Jacobs, 2013). Not every SME can have a human resources specialist, but it may use standards developed based on the experience of many human resource professionals.

International standards in human resources area could synthesize the best and most widespread practices in the area and could make them accessible to everyone. In a multinational company, human resource management will be more consistent and harmonized from the moment of publication and recognition of international standards. Indicators of human resources would be comparable if they would be calculated according to a recognized global standard.

In most areas that have been introduced to, standards have been helpful, supporting companies in costs reduction and global development. Standards are now a universal language that can be understood by anyone regardless of national or organizational culture. The authors therefore believe that the development and recognition of a generally accepted standard in human resources is a certainty, even if it will take a longer period of time. Human resource is the most important resource of any business or activity and, consequently, the use of best practices in human resources management will be a competitive advantage for any organization.

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