Human Resource Management and Systems Thinking—A Potent Combination

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Abstract

Systems thinking has been applied to many aspects of organization, and this paper examines the potential for using these ideas in the area of human resource management (HRM).

An overview of modern HRM ideas reveals that motivation and leadership are considered important factors for effective management. Learning -based motivation using reinforcment has ethical implications which may appear good for efficiency but not for individuals. Traditional motivation methods which involve personal goal fulfilment encourage defensiveness and cover up. Real learning and real problem solving come from openness, valid information, and confronting of viewpoints. Therefore the manager requires approaches which can challenge the prevailing ideology.

This study finds that systems methodologies can help HRM to produce an efficient, effective, profitable and ethically fair organization. However, this requires using a variety of systems approaches based on different paradigmatic assumptions to help the different human interests. Critical awareness must be brought into group leadership, motivation and interactions. Challenging of ideas can avoid obstructing learning and can improve decision making. This research recommends that HRM would be improved by adopting a critical systemic perspective.

Keywords: *Management, Organization, Motivation, Personnel, Systems Thinking, Human Resource Management*

人力資源管理與系統思考—基礎整合

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摘　要

系統思考目前已提供多種觀點並廣泛運用於組織分析上。這篇文章主要在檢定這些系統觀點運用於人力資源管理領域的可行性。概觀現代人力資源管理，主在強調「動機」與「領導」是有效管理的兩大因子。

以學習基礎動機來強調時，出現了對效率有益但卻對個人無效的道德衝突。傳統的動機方法包含了個人目標的達成，並鼓勵防禦與隱藏。真正的學習與問題解決，應該是來自於開放、可得的資訊、與相對的觀點。正因如此，管理者需要一些可以突破一般思維的方法。

　　這篇研究發現系統方法論可以幫助人力資源管理去創造出一個有效率的、有能力的、有利潤且合乎道德標準的組織。然而為了滿足不同人的興趣，需要依據不同的狀況假設而使用多樣性的方法。批判意識必須實行於團體的領導、動機與相互的影響。對思想的挑戰可以避免學習的阻礙，並可協助決策的制定。這篇研究認為，加入批判思考觀點將給予人力資源管理另一種新的思考方式。

關鍵詞：*管理學、組織、動機、個人、系統思考、人力資源管理*

1. Introduction

The business world is becoming more globally competitive and is continually producing new challenges. There is rapid development of technologies, changing prices, changing fashions and changing workforces. Managers are under pressure to produce a competitive advantage, and using employees effectively and efficiently is a crucial part of their task.

Human resource management (HRM) is a diverse field which brings together ideas from the management discipline and from social science. Also, there are many practical management issues in HRM such as workforce forecasting, recruitment, training, and strategic planning.

The systems thinking perspective brings to management thinking an appreciation that unless the whole is taken into account there can be organizational sub-optimization. This paper examines whether, and how, HRM in organizations can be enhanced by using the ideas of systems thinking.

2. Human Resource Management

2.1 Overview

For Weightman (1993), HRM starts by recognising that the human beings are the most important part of the organization. HRM is concerned with selection, training, rewarding, explaining expectations of management, and explaining the actions of management. Bratton and Gold (1999) point out that HRM is critical to achieving sustainable competitive advantage. Foot and Hook (1999) say that HRM identifies the importance of a strategic approach to management so that organizational policies are integrated and cohesive. However, people are different to the other organizational resources because they have varying skills, aptitudes, knowledge, experiences, perceptions, but mainly because they can evaluate and question manager's actions (Armstrong, 1998).

Weightman (1993) sees that for good people management, managers need to examine ideas from social science with the focus on psychology and sociology, and to understand the importance to people of both economical and political factors. Sociology is important because it is involved with understanding the societal rules, norms and factors which affect the behaviour
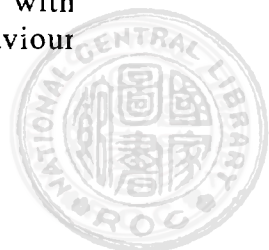
of individuals in the organizational setting and in groups. Psychology is important because it concerns individual and group human behaviour, particularly concerning motivation and learning (Kline, 1989).

Moorhead and Griffin (1995) categorise of individual motivation theories into need-based, process-based, and learning-based theories.

2.2 Individual Motivation

2.2.1 Need-based motivation theories

The ideology is that motivation arises from personal needs which are not met or satisfied. These can be extrinsic or intrinsic needs.

The scientific management of Taylor (1947) uses the principle that people are motivated if external economic reward is linked to performance. Mayo (1949) put focus on human relations importance by highlighting the human needs of recognition, security and sense of belonging. Therefore this theory assumes that motivation comes from internal factors. The Maslow (1954) hierarchy of needs identifies that both external and internal factors contribute to motivation. This suggests that the manager should try to create the right environment for the worker and reveals that many human motivations are outside the formal organization controlled by management. However, Potter (1961) suggests that this theory shows that many rewards are also outside the individual control, and choices are compromises between desires and feasibility.

The research of Herzberg (1966) on the motivation-hygiene theory recognises a duality of attitudes operating simultaneously. The theory indicates that there are hygiene factors which if not present lead to dissatisfaction. However, motivation to work harder comes from desire for personal growth such as achievement, recognition, responsibility and advancement. This suggests that the manager giving leadership is important, however the theory is criticised for ignoring personal characteristics and cultural differences (Ho, 1998).

2.2.2 Process-based motivation theories

The ideology is that motivation is more complex than simple intrinsic or extrinsic need incentives.

Adam (1963) proposed the equity theory concept that people see inequality if their ratio of outcome to input is different to that of other people. People are motivated to reduce the inequality perception. The assessment depends on the individual's psychological contract with the organization. This suggests a large number of affecting variables including power relations and ideology conflicts (Ho, 1998).

McGregor (1960) pointed out that the behaviour of managers towards staff is an important influence on the behaviour of staff. When the manager adopts Theory X - that workers are lazy, dislike responsibility, are resistent to change, are indifferent to organizational requirements, and therefore need strong leadership - then the implication for HRM is that people must be persuaded, rewarded, punished, controlled, and closely supervised. However, when the

manager adopts Theory Y - that workers have potential for development and responsibility, and are interested to meet organizational requirements - then the implication for HRM is that managers must establish the right conditions so people can assume responsibility for their actions towards meeting organizational objectives.

Vroom (1964) suggested that motivation depends on an individual's calculation of the expectancy of a particular outcome for a particular act multiplied by the individual's valuation of the outcome. This recognises a range of desires, goals and decisions influencing performance depending on the expectation.

Ryan (1970) proposed goal-setting theory that the individual acts to reach conscious goals and intentions which determine what individual's do and how well they do it. This suggests that if fair goals are set which are accepted and they are likely to win commitment.

2.2.3 Learning-based motivation theories

Luthans and Kreitner (1975) noted that reinforcement consequences are important concerning either strengthening or weakening behavior. Therefore, learning by the individual that consequences are desirable produces positive reinforcement. Thus future behavior is a consequence of past experience. Moorhead and Griffin (1995) indicated the ethical issues concerning reinforcement motivation because manager's may select reinforcement choices which are good for the organization without considering the effect on individuals, restricting freedom. Thus reinforcement treats the people as objective organizational resources.

Argyris (1992) and Argyris and Schon (1996) distinguished between "model I type behaviour" and "model II type behavior" in organizations. Model I type, encouraged by most traditional motivation methods, concerns personal goal fulfilment rather than learning with others, and involves defensiveness, self-fulfilling, escalating error-behavior which is resistant to change. While Model II type behavior concerns using valid information, free and informed choice, internal commitment, an invitation to confront one's views, in order to bring real learning and the solving of problems. The concept is that this model II type of motivation culture is more benefical for the organization and therefore for the individual.

2.3 Group Behaviour

Many authors (e.g. Belbin, 1981; Handy, 1993; Weightman, 1993; Armstrong, 1998).believe group effectiveness is particularly dependent on group dynamics, leadership, processes, procedures, and motivation, and culture

2.3.1 Group Dynamic factors

Tuckman (1965) pointed out that group effectiveness needs group cohesion. This develops through several stages: forming, storming, norming, and performing. Rice (1958) found that groups with the most harmony and productivity are the pair or the group of between six to twelve people. Stability resulted from group members understanding other members skills, and when

there were few status differences. Weightman (1993) concluded that the implication for management of groups is that minimising priviledge differences, increases the chance of success. Bales (1950) found that to be effective, groups should contain members concerned with the task and also members concerned with positive social aspects. The social members were most popular, but the task focused had more influence. Belbin (1981) found that the most effective groups contain a particular variety of roles and abilities.

2.3.2 Group Leadership

Bennis and Nanus (1985) interviewed ninety leaders and synthesised four necessary areas of competence for the leader to be effective: vision, communication, trust and self-knowledge. With their vision the leaders were able to give confidence to people to achieve tasks. The ability to communicate and share the vision is important so that people could understand and participate in shaping the vision. The trust factor refers to people believing that they can rely on the words and promises of the leader. The self-knowledge factor is an appreciation of their strengths and weaknesses so the leader sees how they fit into the organization and what the organization needs. Adair (1983) sees leadership as a functional approach involving defining the objectives, planning, briefing, supporting and monitoring, and evaluating, involving three areas of activity: the task, the team, and the individual

Handy (1993) indicates the importance of style based on the assumption that people will work harder for managers using a particular leadership style. For example, the authoritarian leader has control of decision-making, rewards, and punishments. In contrast, the democratic leader shares these responsibilities and powers using a participative approach. The thought is that the participative style will be very appropriate for the self-actualization and esteem needs of individuals, motivating higher productivity.

2.3.3 Group Process, Procedures and Motivation

Handy (1993) highlighted the importance for effective groups of Task functions and Maintenance functions.

Task functions cover initiating, information-seeking, diagnosing, opinion-seeking, evaluating, and decision-managing. Maintenance functions refers to encouraging neglected resources, compromising between opinions, peace-keeping between conflicts, standard-setting, clarifying and summarising of the various contributions.

However, groups must beware of the problem of group think which is the tendency of smaller groups to be dominated by a single opinion and the tendency of larger groups to be more extreme than small groups, and the tendency of some groups to be unaccountable and inert (Morgan, 1997). The presence of different points of view can improve the quality of decision-making. Therefore the task and maintence functions must encourage widening of opinions and some challenging of ideas.

It is important to set standards concerning expected results so that motivation calculus by individuals can operate, and feedback must be given.

2.3.4 Organizational culture

Understanding the culture of an organization can be useful in two ways. First, the people can then work with it instead of against it. Secondly, understanding can reveal problems which can then be changed (Weightman, 1993). However, changing organizational culture is not easy because it concerns basic values and beliefs of organizational life and it may be impossible to change the culture of the workforce without actually changing the people in it.

The importance of an organization with a culture of learning was indicated by Swieringa and Wierdsma (1992). The organization exists in a turbulent environment and must learn to learn in order to survive. Therefore manager and workers must learn to learn for organizational success. This suggests that managers should not only choose motivation methods which use positive reinforcement or personal goals, but must encourage thinking and learning.

2.4 Recruitment, Selection and Training, and Reward Management

Weightman (1993) identified the importance of interpreting the objectives, plans and commitment of the organization to staffing requirements in order to fit the department plans into the overall organization plans. The selection interview must answer whether the applicant can do the job effectively, is motivated, can fit into the group and with the manager (Bratton and Gold, 1999). The psychoanalyst view suggests that managers must be aware of individual personality requirements and differences particularly during the selection process.

Concerning training and staff development, Tyson and York (1982) specify seven main objectives: maximising productivity; developing people's versatility; developing cohesiveness; increasing job satisfaction, motivation and morale; improving standards; optimising use of resources; and standardising practices. Bratton and Gold (1999) identify three main aims of reward management: to attract and keep suitable employees; to maintain or improve employee performance; and to satisfy employee legislation and regulations. Therefore rewards must be competitive and fair. The reward system is a main part of the psychological contract in the organization.

2.5 Summary of HRM Key Issues

1. Workforce planning should be integrated and coherent with organizational plans and policies
2. Poor people management is poor use of organizational resources
3. Good group management involves explaining expectations and actions of management, establishing group processes and procedures for group task and maintenance functions.
4. Motivation is higher when there are set standards, agreed goals, performance feedback and expectations are met.
5. Self actualisation needs can motivate staff which can be improved by autonomy, development of potential, equal opportunity, understanding strengths and weaknesses, and participation from staff.
6. Reward system and psychological contract must be ethically fair.

7. Group leadership must recognise there are several motivation approaches based on different ideology.
8. Group culture must include encourage learning and challenging of ideology to avoid the group think problem.

3. Systems Thinking

3.1 Human cognitive interests

Habermas (1970; 1974) has identified three fundamental cognitive interests which concern human beings in social contexts: the technical interest, the practical interest and the emancipatory interest.

The technical interest recognises that humans work to bring material needs, achieve goals, and attain command over their environment by prediction and control of natural and social factors. The practical interest recognises that successful interaction between humans is mutually beneficial and therefore important, and this requires the development of intersubjective understanding among the humans in the social context. The emancipatory interest recognises that how power is distributed and used affects the success of technical and practical interests, therefore human beings have the emancipatory interest to free themselves from power constraints and to learn by genuine participation to control their own lives (Jackson, 1991).

3.2 Sociological paradigms

Burrell and Morgan (1994) proposed that theories of the social world can be understood in terms of four paradigms of thinking depending upon the assumptions the theories make about the social world. The four paradigms (Functionalist, Interpretative, Radical humanist, Radical structuralist) are defined by two dimensions: the objective - subjective dimension, and the regulation - radical change dimension.

If the nature of social science is objective, the assumption is that human behaviour is determined by external factors. Alternatively, if the nature of social science has subjective assumptions, then the humans have free will to create the social context individually and collectively.

If the nature of society emphasises regulation, it is concerned with the status quo, social order, integration and cohesion. Alternatively, if the nature of society emphasises radical change, then it is concerned with understanding radical change, conflict, power relationships, and considering potential and emancipation.

In terms of the four paradigms, hard systems thinking takes the functionalist perspective, that systems have hard external existence and understanding will help better control of people. Soft systems thinking takes the interpretative perspective, that systems are the creative constructions of humans, and mutual understanding can help preserve the status quo. Organizational cybernetics takes the radical structuralist paradigm, that systems are hard and objective but there is interest to understand conflicts and radical change. Emancipatory systems thinking can occupy the radical humanist paradigm, that human thoughts create the systems and understanding the social and power
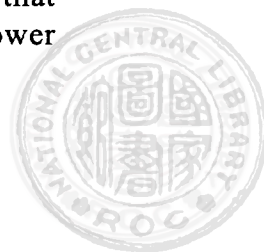
relations can free humans to develop their potential. Only critical systems thinking can deal with all four paradigms (Jackson, 1991).

The traditional HRM literature suggests mainly a functionalist approach to HRM, because there is little to suggest radical change.

3.3 Hard Systems Thinking (HST)

Operational Research, Systems Analysis, Systems Engineering and Systems Dynamics are HST methods (Jackson, 1991). HST relies on observation, quantification, logical analysis and model building to predict and control use of existing resources efficiently, allowing assessment of different courses of action. Since the HST approach produces the ideal solution to the organizational problem then the role of HRM becomes that of forcing or assuring compliance with the designed regime.

Thus in HST the humans are considered as an objective resource like materials, machines, and money, because the HST methodologies are based on functionalist paradigmatic assumptions and serve the technical human interests. HST has strengths which can contribute to some areas of HRM, but the manager must understand the boundary of usefulness because HST ignores the practical and emancipatory interests, and therefore has the weakness that it cannot bring radical change, or deal with human misunderstandings, or resolve human conflicts which can affect goal achievement.

3.4 Organizational Cybernetic Systems Thinking

The viable system model (VSM) of Beer (1979; 1981) is the main example of organizational cybernetics systems thinking. Beer uses cybernetic concepts to deal with extreme complexity, self-regulating behaviour and probabilism in order to design a model of the organizational features of any viable system.

The VSM consists of five functional parts: operations, co-ordination, control, development and policy. All five parts are essential for viability and must be linked by communication flows and with the environment.

Control is decentralised by autonomy to deal with complexity, and managers can amplify their variety by attention to social aspects like integrated team work and use of experts and consultants. The VSM can be used to design viable group systems and to diagnose the sources of problems. It is concerned with the technical interest but more autonomy increases emancipation, and fits the radical structuralist paradigm because it is objective but can bring radical change. The VSM is criticised for neglecting the purposeful role of individuals in organizations and the fact that individuals can read meaning into their situation and the organizational purposes (Jackson, 1991; Checkland, 1980). Managers could then put too much emphasis on logical design to produce efficiency and effectiveness, and neglect the societal aspects. Therefore, cybernetic systems thinking has the weakness that it ignores the importance of human mutual understanding and the need for human conflict resolution.

3.5 Soft Systems Thinking (SST)

Checkland (1980; 1981) proposed the Soft Systems Methodology (SSM)

approach to deal with problems which could not be tackled by the hard systems approaches. SSM is a form of action research and uses inquiry and learning to decide on action which can result in good changes. Participation should be as wide as possible in the each group or department, to produce ownership of the outcome and widen the range of intersubjective understanding.

There are seven stages to SSM:

Stage 1: Enter the perceived problem situation.
Stage 2: Express the problem situation in a "rich picture"
Stage 3: Formulate Root Definitions to produce several accurate perspectives of the system of the participants.
Stage 4: Build Conceptual Models to produce a picture of what each system does.
Stage 5: Compare Models with Reality.
Stage 6: Identify and Define Possible Changes.
Stage 7: Take Action to Improve the Problem Situation.

SSM recognises the importance of the culture view of organization and sees that organizational problems result when people have differences of viewpoints about the same situation. SSM deals with the practical human interest by developing mutual understanding using the interpretative paradigm assumptions about social context. Therefore SSM is very useful for HRM, but it is weak in the technical and emancipatory human interest aspects of organizations.

3.6 Emancipatory Systems Thinking

Ulrich (1983; 1991) proposed the CSH methodology for use by planners and citizens to reveal the value assumptions used in planning and to reveal the social consequences of the plan for everyone. It can make people critically and socially aware, therefore it is emancipatory. Ulrich distinguishes four categories of concerned citizens: client, decision maker, planner, and witnesses. The client, decision maker and planner are involved in the planning, the witnesses are affected by the planning decision. The four groups represent the sources of motivation, the sources of control, the sources of expertise, and the sources of legitimation for the system design. CSH asks three questions of each of the four categories giving a total of twelve questions. The first question concerns the social roles of the involved and affected, the second question asks about role specific concerns, the third question asks about key problems or crucial issues in deciding the boundary judgements determinants for the two previous categories (Jackson, 1991). The critical relevance of the answers is best revealed by asking the questions in both "is" and "ought" modes. This then allows comparison of what is with what ought to be concerning the system design. For example, who is the beneficiary (client) of the system design, and who ought to be the beneficiary?

For HRM there is direct relevance for managers to consider the normative content of group planning concerning the client, the concerned members, and the affected but not consulted members. CSH helps the emancipatory human interests and the practical interests but its weakness is that it ignores the technical interest.

3.7 Critical Systems thinking (CST)

Jackson (1991) considers that CST brings together five main commitments:
1. Critical awareness
2. Social awareness;
3. Dedication to human emancipation;
4. Complementarism at the theoretical level;
5. Complementarism at the methodological level.

Critical awareness arises in two ways. Firstly, by close examination of the assumptions and values underpinning systems designs. Secondly, by understanding the strengths, weaknesses and theoretical underpinnings of available systems approaches.

Social awareness comes from considering the consequences of using chosen methodologies on individuals and groups who have interests in the system, and by recognising the political pressures which can favour certain methodologies.

Human emancipation means dedication to the fulfilment of individual potential. Critical systems thinking seeks to use HST to support the technical interest, soft systems methodologies to protect the practical interest, and emancipatory methodologies to support the emancipatory interest. Therefore, CST has the ability to transform HRM from a regulatory discipline into a liberating discipline for radical change.

Complementarism at the theoretical level shows a commitment to the complementary development of the various systems theories. Complementarism at the methodological level reveals that CST is committed to the complementary practical use of systems methodologies. Flood and Jackson (1991) have proposed the intervention methodology Total Systems Intervention (TSI) to operationalise CST.

Midgley (1995) stresses that CST has developed around three areas of thought: improvement, critical awareness, and methodological pluralism. By using improvement as the critical and systemic criterion of intervention success, this can be judged even using simple value systems and is a state that everyone would agree is better. Critical awareness is vital because boundary judgements have to be made to question the scope of understandings of improvement, and who should participate in their generation. Methodological pluralism refers to the availability of a range of methodologies to guide communication and observation in order to explore the question of improvement, mutual understanding and decision making.

CST deals with technical, practical and emancipatory human interests and therefore CST satisfies the three human interests identified by Habermas, when used in accordance with its principles. The correct choice of methodologies means the appropriate human interests are tackled bringing quicker and more appropriate intervention in the problem context and no resources are wasted using inappropriate methodologies.

3.8 Summary of Systems Thinking Key points

HST methodologies analyse information using scientific objectivity to try to optimise the efficiency of the system of men, money, machines, and materials.

However, this helps mainly the technical human interest and therefore can contribute to only some areas of HRM. Soft systems thinking deals with practical human interests and should be very useful for HRM because it offers a route to intersubjective understanding, both between individual group members and between the manager and the group, but SSM ignores the technical human interests and cannot bring radical change to organizations made unsatisfactory by power misuse. CSH can satisfy the emancipatory human interest by revealing the misuse of power and ideology which can be constraining the human potential in the organization. The strength of CST is that it can use HST, SST, and CSH methodologies most appropriately, without misuse, and deal with all human issues.

3.9 Examples of use of CST in organizations

The ideas of critical systems thinking have been successfully applied to problem solving in many organizations (Flood, 1995). Two examples in Eastern companies can illustrate CST ideas use. Firstly, ABC and Co. in Taiwan had several problems such as sales problem, static structure, loose operational system, self-imposed constraints. The application of CST ideas led to more openness and participation with appropriate managerial, structural and strategic changes. Secondly, Utopia-Aire Pty Ltd in Singapore, used CST ideas to surface problem issues to be dealt with such as confused communications and reporting, isolated company departments, too wide span of control by MD, no common goals, poor use of resouces. Utopia- Aire through CST chose to use VSM to improve the structure and communications, and SSM to improve mutual understanding and organizational culture. The benefits were more skilful staff, more creativity, reduction of both inefficiency and ineffectiveness, and more freedom.

4. How Can Systems Thinking Tackle the HRM Key Issues?

1. Workforce Planning and Optimising Resources use

Integration of workforce planning with organizational plans and policies, requires in particular rational objective assessment of the resources and needs of the group in relation to the organization. This concerns the technical human interest, and points to the need for functionalist HST methodologies.

The workforce planning would be improved by using HST to examine the effect of different courses of action and the effect of altering variables on the organizational plans and policies. Ideally the whole organization policy and plan should use HST in order to generate a systems awareness of the possible effects of environmental factors such as changes in market, economics, social, technology, legislation, politics.

Combs (1965) pointed out major manpower planning problems in the armed forces arising from the unpredictability of requirements. Planners have to deal in particular with changing national economy, limit of military strength, changing international sitruation, different types of personnel, and environmental factors. These are difficult problems alone, however the interaction of the problems creates bigger problems requiring HST

methodologies which can quantitatively assess different planning choices, feedback and interaction effects.

2. Improving Autonomy, Explaining Expectations of Management, Establishing Group Processes and Procedures

These factors mainly concern the technical human interest although more autonomy involves increased emancipation and free will. The factors are mainly structural organization factors which include some radical change.

The VSM methodology can tackle these areas of concern by balancing autonomy and control with the design of the essential communication links and definition of responsibilities of individuals and groups, to create viable subsystems inside the viable organization system, and producing a more effective, efficient and profitable organization.

The importance of structure, definition of responsibilities and contact with policy is illustrated by Cottrell (2000). Cottrell reports on a five year UK study on shifting HR responsibility to line managers. There were two main obstructions to success. Firstly, line managers were given too much responsibility before they had the requisite skill. Secondly, insufficient support, motivation and training for managers and staff. The conclusion was that the implementation needed a clear understanding of HR in the company, planning of the HRM structure to define roles and responsibilities, using performance monitoring, management and incentives, and keeping in touch with the strategic overview, which the VSM can do.

3. Agreeing goals, Performance Feedback, Participation of Staff

These factors concern the practical human interest and the assumptions of the interpretative paradigm. SSM is strong on improving intersubjective understanding which is essential for effective group development and progress.

Participation is a major condition to achieve freedom in organizations. For example, Mumford (1996) notes that for choice and decision to reflect group desires there are two conditions: Firstly, participation meaning that the group must contain all interested users of a system or their representatives. Secondly, there must be effective communication which means free and open discussion of needs, accepting challenges and dissent, to negotiate acceptable outcome.

SSM can generate full participation to increase mutual understanding in groups by identifying problems and learning to bring improvements. SSM can be used to agree goals, explain the expectations and actions of management, give feedback on performance of individuals and the group, and most importantly to reach mutual understanding in all these areas.

4. Reward system and psychological contract must be ethically fair

Ethical fairness of the reward system aligns with the emancipatory human interest. There is need for radical humanist paradigm assumptions to bring a critical approach.

Concerning moral principles and the psychological contract, Burnand (1982) identifies clarification, consistency, fair comparisons, empathy, examining intentions and consequences, as being important. To achieve humanistic values requires leadership but also consensus in terms of a recognition that the values are in the interests of all. Most importantly the manager must self reflect on
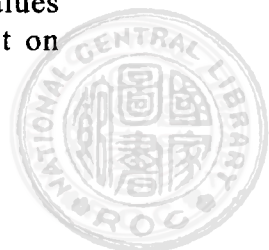
decisions and actions, particularly in a changing unstable environment (Mumford, 1996). The CSH can be used in the group to reveal the real assumptions which underpin designs and plans in the group and in the organization. This can reveal the ethical fairness of the psychological contract and the reward system.

5. Understanding Strengths and Weaknesses, Development of potential, Equal opportunity, Leadership style using motivation approaches appropriately, fairly and ethically

All these ideas relate to adopting a leadership style which enhances the emancipation interests, but also gives full attention to the technical and practical interests. Only CST respects the strengths and weaknesses of all the motivation approaches and the systems approaches to use them most appropriately and ethically in the interests of all humans. Therefore this can only really be achieved by the manager using CST involving the three areas of thought: improvement, critical awareness, and methodological pluralism to meet the three human interests.

6. Group culture encouraging learning and challenging of ideology to avoid the group think problem

Unless there are new ways of thinking, there is no real change in organizations. Schein (1985) observes that personal growth must occur otherwise the organization will be unable to remain profitable by dealing with the external environmental change, and thinks that present perceptions of the organization and its environment result from a present value system which may be inappropriate and obstructs learning.Morgan (1997) points out that group think involving no questioning of assumptions or ideology can prevent learning by groups and lead to incorrect decision making. Argyris and Schon (1996: 20) identify differences between single loop and double loop learning in organizations to be important. Morgan (1997) links these two types of learning in organizations with the ability to learn, and the ability to learn to learn. Flood and Romm (1996) suggest the need for critical thinking triple loop learning, which asks three questions:

(1) Are we doing things right?
(2) Are we doing the right things?
(3) Is rightness buttressed by mighiness, or vice versa?

This produces a new reflexive awareness of ways of managing problems, including the use of power. This questioning of taken-for-granted values and assumptions is needed to produce meaningful organizational communication.

5. Conclusion

HRM in either its traditional or developed forms is not sufficiently critical or systemic. HRM does not imply systemic thinking and has no commitment to fairness. It is explicitly aimed at characterising people as a "resource" to be called upon and used as necessary by those with power who therefore define the limits of human freedom.

This paper shows that systems approaches can overcome many problem areas in HRM to produce an efficient, effective, profitable and ethically fair

organization. However, this requires using a variety of systems approaches based on different paradigmatic assumptions in order to help all the human interests. This study suggests that CST which respects the strengths and weaknesses of all motivation approaches and systems methodologies, and gives attention to all three human interests in organizations, is most appropriate for improving HRM.

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