Application Review Authority to the Concept of Formal and Becoming a New Concept of Human Talent Management

By Juan Nicolás Montoya MONSALVE a† & Juan Daniel Montoya NARANJO b

Abstract. The aim of this paper is to analyze the concept of formal authority in organizations, using a theoretical discussion of its components, their mainstreaming in the administrative process, and its effect on the proactive development of business objects, pretending to determine if this variable is proactive or not, in the development of high performance practices in Human Resource Management, and whether or not a restriction, for people to become their strategic base and / or competitive. We also try, from a case study to determine the effect of expression authority in non-hierarchical designs, the effects of structural position in organizations, the impact of leadership, the relationship of structures and the charges regarding the successes and achievements of the organization, the effect on intra-relationships and communication, imposing, authoritarian, non-cooperation with the lack of consistency with individual purposes, mission and Provisional Record, the continuum of bad decisions, relationship with management and control, and finally connect all these elements with the current organizational individuals, immersed in a knowledge society.

Keywords. Hierarchy, Authority, Pyramid structure, Subordination, competitiveness, Job performance.

JEL. E24, J24, O15.

1. Introduction

The discipline of human resource management has been criticized for lack of theoretical frameworks that serve as a foundation both for scientific research to the development of a common doctrine. This has been modified by recent research that have made great efforts to model conceptually different studies carried out through various theories of the organization (Wright & MacMahan, 1992, Jackson & Schuler, 1995; Delery & Doty, 1996).

These models attempt to analyze the relationship between business strategy, human resource management and business performance and you can set three different approaches: Contingent approach, whereby a relationship between HRM and strategy influences the results (Delery &

a† National University of Colombia, Colombia.

b Universidad Nacional de Colombia, Estudiante de administración de empresas, Colombia.
Doty, 1996). Whichever is the independent variable and the moderating variable which we will address the theory based on the resources and capabilities (Barney, 1991; Wernerfelt, 1984) or in front of the industrial economy (Porter, 1980, 1985); Focus universalist, who defends the existence of certain practices that contribute always to an improvement in business performance, regardless of the strategic option chosen (Ferris et al, 1999; Yound et al, 1996); Configurative approach, it is an intermediate position in which no difference between independent and moderator variable, but both are equally important. This approach emphasizes the importance of the relationship I enter the elements of the organization (holistic approach) (Delery & Doty, 1996).

The problem that arises is that there are no conclusive studies. But on the contrary, we find it difficult to get clear and unanimous findings to help build a single framework for the management of human resources (Montoya, 2011). We found differences between the practices that are defined as high involvement or high performance, as does the operationalization of competitive strategy, which causes the fit between strategy and commitment by management to be imprecise. Moreover, most of these studies have focused on analyzing only operational practices and techniques of human resource management so that their level of study is too superficial, leaving aside the true policy and principles of human resource management (Delery, 1998). We also found conflicting results when analyzing the consistency between strategy and business management (Delery & Doty, 1996, Lee & Miller, 1999; Legnick-Hall & Hall, 1998, Schuler & Jackson, 1987, Valle et al, 2000). In addition, there is little empirical evidence that such adjustment is necessary or even beneficial (Delery, 1998; Roche, 1999) because the results are inconclusive (Delery & Doty, 1996; Huselid, 1995).

Therefore, this work represents a first approach to the study of three elements as: the principles that influence the management system in line with the strategic choice, high-performance practices in human resource management and business performance. Focusing on the configurative approach and taking as a given company study, we analyze the impact it has reduced use of formal authority (such as business principle) in the choice of practices and techniques of high performance human resource management and impact on business results. This will seek to integrate contingent and Universalist approaches, analyzing their literature and determine the possible existence of a direct relationship between the two.

The formal authority as a restriction on the steering. The exercise of formal authority, Taylorism as promulgated by the unique method of coordination, through a time of serious difficulty in modern organizations. The increase in educational level, which gives a greater approach and leads to demand greater role in decisions, the increase in living standards in developed countries, reducing the economic dependence of the subject and, consequently, gives more power over organizations, the growing complexity of the operation of enterprises, which requires close coordination of efforts among professionals, developing an increased awareness of human dignity, which leads to ask for more participation, development or change in the structures of the organizations, which has become more complex and greater autonomy have led to the concept of subordinate has been modified by that of partner or teammate and favored to be recognized that the inflexibility hurts the performance of the organization itself. For this reason, the responsibilities of the subjects are not only those that are described in the manuals of functions, but are those that are set according to the capabilities.
of workers, thus simplifying the levels of organizational hierarchy and giving rise a flatter organization charts. You can also see how you begin to implement new ways of working such as telecommuting, job decentralized, collective work and other dynamics that support the mobility of labor.

It happens and functional development of the human factor in the search for strategic development. This requires transcending the domain and the chain of command, bureaucratic, plutocratic or more dynamic forms as heterarchy, empowerment, self-management or to an instance holonarquía consensual democracy. Thus leading to an organization, called as a coalition, in which there is no hierarchical relationship as it is self-managed but in which each member has certain responsibilities and has discretion over the resources it controls and therefore the remuneration compensation is determined ex post, depending on the group's results (Salas, 1996).

The coalition, raises two major problems of organizational design that managing human resources has to solve: coordination and incentives. Coordination is needed because of the existence of interdependencies between the decisions of the players and there is this sharing of information necessary to enable each member to anticipate the decisions or actions of others or establish ex ante routines or decision rules. Culture can be considered as a mechanism that restricts the conduct of its members (O'Reilly, 1989) and facilitates the coordination (Krepps, 1990) at the time that passed down to what will be interested only course of action to follow when coming to decisions on issues not covered. Cremer (1993), precisely what are the mechanisms through which culture enhances coordination and provides the following two: the common language that facilitates communication and the establishment of rules of conduct that each member can predict the behavior of others and adjust yours. In the same direction, Kreeps (1990) emphasizes the use of culture as a coordinating mechanism especially when individual behavior can lead to multiple balance efficient.

There is also evidence that the management style and corporate culture are intimately related aspects of system management and human resources can be argued that only through the consistency between them can generate sustainable competitive advantages in the long term (Ordiz, 2000). This idea is also found in the work of Ogboma & Harris (2000) and Hemey (1998) when they argue respectively that how leadership style affects performance is influenced by corporate culture and propose to the corporate culture as requirement for the success of a particular leadership style.

From all this, it follows the following proposition:

P1: A decrease in business formal authority to be replaced by a strong culture oriented towards interpersonal relationships to enhance collaboration and commitment between them and the organization.

Impact on human resources management: practices of High Commitment

The high involvement management (Lawler, 1986; Walton, 1985; Word & Albanese, 1995) has also been described as high performance practices (Huselid, 1995) and is also known as soft model of HRM (Guest, 1987; Turss et al., 1997). But basically, this is an approach to human resource management-oriented commitment to employees and involves their active participation in decision-making, providing resources and organizational support necessary to do so.

Although the literature is very rich in these practices (Arthur, 1994; Kofman & Senge, 1993; Delery & Huselid, 1996; Ichniowski, Shaw & Prennushi, 1997), the problem arises in determining which practices specific human resources are those that enhance and serve to monitor the
engagement, as studies show no unanimity on the issue. To determine high-commitment practices, some authors recommend first measuring the degree of conception on human resources is part of management (Commitment to management) or, in terms of Eisenberger et al (1986), which must be observed and measured, is the organizational support received by the employee.

Where do find unanimity is that they all emphasize the autonomy of workers about their work (Arthur, 1994) thereby increasing experimentation and promote internal communication and coordination with her different members of the organization (Truss et al, 1997). The main arguments that have been established for the incorporation of these high-commitment practices have been two: it allows the organization to be more effective (Lawler, 1986) and increases the social approval of this model as opposed to traditional Taylorist style based on the strict control and subordination of employees (Shashkin, 1984).

So we can say that high-commitment practices are positively related to the decreased use of formal authority by the companies, which allows us to propose the following proposition:

P2: The lower use of formal authority, companies use high-commitment practices to manage its human resources and achieve greater results.

2. Methodology

This paper presents some aspects of the case study as a research method in management science. It is based on the method as a way of generating theories about complex causal organizational phenomena. The correct application of this tool research legitimizes and encourages the use of their results, facilitating the connection between academia and industry. "The rationality of administrative tasks is a practice that uses rational technical tools and prudently considers its validity and feasibility, bearing in mind the specific cultural and historical circumstances and, above all, the personality of those who constitute the firm. Hence, the case method appears as an extremely suitable for teaching." (Crespo, 2000)

Investigation cases generally adopt an integrated perspective. A case study is, as defined by Yin (1994), "empirical research that examines a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident. (...) A case study research successfully treated with technically distinctive situation in which there are many more variables of interest to observational data and, as a result, based on multiple sources of evidence, with data that must converge in a style of triangulation, and also as a result, benefits from prior development of theoretical propositions to guide data collection and data analysis".

Popper wrote that the case method as statistical and other quantitative approaches seek to develop theories with empirically verifiable consequences, the case method proposed generalization and inference to the theory and not to other cases within the case aims to introduce quantitative data to consolidate the qualitative findings.

Mitchell (1983) justifies this way, then the logical inference is epistemologically quite independent of statistical inference. In terms of the canons of statistical inference, the analyst can assume that the same relationship exists between the same characteristics in the parent population. However, the inference from the sample relative to the parent population is
performed simply on the concomitant variation of the two characteristics. The logical inference (some call it scientific or causal), the researcher postulates or discover relationships between features in the context of an explanatory conceptual framework. The relevance of the case and its generalization does not come, then, the statistical side, but the logical side, the characteristics of the case study extend to other cases by the strength of explanatory reasoning.

A research design is composed of five components, Yin (1994): 1 - the questions of the study, 2 - their proposals, if any, 3 - unit of analysis (several times), 4 - the logic linking the data with the proposals and 5 - the criteria for interpreting the findings.

Oriented propositions about the objects to be examined in the study; crumble type questions why and how to determine what to study. From the research questions are sought systematic data to draw conclusions. The questions, data, and conclusions are logically linked together by the design of the case.

Some authors like Dyer (1991) are inclined to the study of a single case and cite to support your position examples of classics like Street Corner Society, which would show the importance of focusing in-depth study of a single case. Other Eisenhardt (1989) argue instead that it is possible to obtain resources for multiple cases, in fact, there are examples of multiple and classics such as Crozier (1964). Smith (1990) relates that in his experience, as each case progresses through interviews the data is adapting to a pattern, in other words, a theory is emerging and successive data are predictable from the theory.

3. The case analysis: SEMCO

SEMCO is a company that has attracted unprecedented interest around the world for innovative practices in managing its resources in particular the Human who has led her to become the largest manufacturing company marine and food processing machinery in Brazil treats its 800 employees as responsible adults. Created in 1953 by an Austrian-born engineer Antonio Curt Semler called. Focuses its production activities in five factories producing a range of sophisticated products, including marine pumps, digital scanners, commercial washing of dishes, filters for trucks, and mixing equipment for everything from gum to rocket fuel. Its main clients include Alcoa, Saab and General Motors. He has built several factories cookies for Nabisco, Nestle and United Biscuits. Multinational competitors include, AMF, Worthington Industries, Mitsubishi Heavy Industries and Carrier.

The founder spent the direction of his son, Ricardo Semler, who had to deal with difficult times for the economy of his country and the fate of your company. Apparently the health problems resulting from stress placed in a position decisively Ricardo passive, which led him to accept the proposed self-management of their workers. Getting in the first instance, to avoid massive layoffs and tying their compensation to the profits of the company, while getting cut the pay of executives, later organized and coordinated in small units of not more than 200 employees, under a reduced staff and about its owner and a CEO (who rotated every six months). But undoubtedly the most interesting in this development is each individual can set their wages, working hours, concentrated on democratic decisions, and largely autonomous divisions, which are specified in a small survival manual, which led to it being a unorthodox company that produces a lot of money by
avoiding decisions, rules, the executive authority. Everyone has access to the
books of the company and where all the workers vote on important corporate
decisions.

Management Associations, unions and the press repeatedly pointed out as
the best company to work in Brazil. Since no jobs are advertised, however
until 300 applications are received for each available position.

SEMCO has three fundamental values on which you base some 30
administrative programs. These values, democracy, profit sharing, and
information, work hard in a circle, each depending on the other two. The
corporate structure, the freedom of employees, relations with the union, the
limitations on the size of the factory, all are the product of commitment to
these principles.

The first of the three values of SEMCO is democracy, or employee
engagement. Clearly, employees control their working conditions and are
happier than those who do not. Implement employee engagement is a
complex issue, so difficult and, usually, so frustrating, it's easier to talk about
it to. SEMCO found four major obstacles to effective participatory
management: size, hierarchy, lack of motivation, and ignorance. In a vast
production unit, people feel small, unknown, and unable to influence the
way work is done or final utility obtained.

The organizational pyramid is the cause of much damage to the
companies, because the journey is too long from the base. The pyramids
emphasize power, promote insecurity, distort communications, will hamper
the interaction, and make it difficult for people who plan and execute people
who move in the same direction. SEMCO then designed an organizational
circle. Its greatest advantage is to reduce levels of government to three - a
corporate level, and two operational levels in the manufacturing units.

It consists of three concentric circles. A small central circle consisting of
five movements that integrate the company. The second, a larger circle,
containing the heads of eight divisions - the so-called partners. Finally, a
third, a huge circle that contains all other employees. Most of them are what
are called associates, are responsible for research, design, sales and
manufacturing work and not have anyone to report them regularly. But some
of them are permanent or temporary team, whose role is to lead and are
called coordinators. No manager and reports to another coordinator, that
feature of the system is bringing about a reduction in management layers.

No one is selected or promoted until he has been interviewed and
accepted by all future subordinates. Twice a year, evaluate subordinate
managers. Also twice a year everyone in the company diligencianin an
anonymous questionnaire on the company's credibility and competence of
senior management. Among other things, asked employees what things
would make them quit or go on strike.

We insist on making important decisions in a collegial manner, and
certain decisions are made after a general vote in the company, which
constantly calls a participatory management. Other ways to combat the
hierarchy, is to give employees control over their own lives. In short, adults
are recruited and then treated as adults. Common sense is a risky tactic
because it requires personal responsibility. SEMCO has no rules about dress.
The idea that personal appearance is important in a job any job is silly. A
company needs business clothes to prove their seriousness probably has no
significant proof. It promotes and insisting on job rotation every two to five
years to avoid discouragement.

On the experimental side, we have a program for people who are trained entry level called Lost in Space through which select a couple of people each year who do not have a job description. The care a sponsor for one year and can do whatever they want, while attempting at least 12 different areas or units. By the same logic that governs the other programs for employees, the clocks have been removed. Employees come and go according to their own schedules, even on the floor of the factory. When introduced flexible working hours, it was decided to conduct regular follow-up meetings to identify problems and decide how to handle abuse and work stoppages. This happened years ago, and still not made the first of these meetings.

They form groups, but they find their own leaders. And this is not lack of structure, it’s just lack of a structure imposed from above. For SEMCO, each division has a profit sharing program individually. Twice a year is calculated on 23% of profits after taxes on the income statement in each division and give a check to three employees who have been elected by those working in that division. These three workers invest the money until each unit can meet and decide by simple majority vote what to do with it. In most of the units is decided by an equal distribution. If the unit has 150 employees, divide the total by 150 and is given to each hand. It’s that simple. Who sweeps the floor as the partner receives the division. There are many things that contribute to a successful gainsharing program: low employee turnover, competitive pay, lack of paternalism, refusal to grant consolation prizes when profits fall, distribution frequent (quarterly or half yearly) earnings and many opportunities for employees to challenge management decisions affecting future profits. But nothing is more important than those vital statistics reports frequent, short, honest about how the company performs. Total transparency. No tricks, no simplifications.

All employees of SEMCO attend classes to learn to read and understand the numbers, and one of its unions is dictated classes. Each month, each employee receives a balance sheet, a profit and loss analysis, and statement of cash flow in their division. Reports contain about 70 items (more, incidentally, of those who used to run the company, but do not want anyone to think that it is withholding information). The actual figures show always have positive long-term consequences.

What matters in the budget and in the reports is that the numbers are few important and that people understand them to approach. And that’s all. Participation gives people control over their work, profit sharing gives them a reason to perform better, information tells them what works and what does not.

Measurement Variables. Use of formal authority: Number of hierarchical levels or responsibility; Language used: Subordinate vs. Roommate; Rules and guidelines: focus on the power or responsibility; Centres of decision: one or multiple; Decision-making: individual or collective; Variables measuring organizational support perceived by employees; Put in place actions to identify resources and information needs of all personnel of the company; The management communicates and formally recognize the achievements of its staff; The company formally announced its policy and strategy to all employees; Managers and supervisors allow employees to have a high autonomy and self-control over their actions

Human resource practices high commitment: Staffing selective: they seek individuals who fit the organization and its culture or not; Fixed Contracts: use of permanent contracts, set in a policy of stable employment or temporary contracts; Intensive training: High training opportunities to
employees or; Generic Training: multipurpose oriented training that enables employees to develop different functions and defects or specific training; Promotion Qualitative use of promotion criteria based on attitudes that support the organizational culture or quantitative promotion; Qualitative assessment: use of evaluation criteria based on attitudes that support the organizational culture or quantitative assessment; Pay based on individual base salary determined by the knowledge of individuals and their flexibility to perform multiple tasks or based on the job; Level of medium-high compensation: salary levels or above the market average, seeking external equity; Long-term Compensation: linking incentive pay to the achievement of objectives in the medium and long term; Incentives groups: use of the collective performance (work teams, company) as a criterion for the allocation of incentive pay or individual incentives.

Variables for measuring results (best show your progress if we have all data): It shows an improvement in financial results; Increased market share; Improved earnings as a percentage of sales; Increased sales per employee; Performance in the workplace; Troubleshooting high quality; Levels of turnover and absenteeism

4. Conclusions

Today the concept of authority, begins to have limitations, since the procedures for making decisions have come down to lower levels of the corporation. The hierarchical system was used previously has given rise to a system in which employees are responsible for their own actions, and leadership comes from the teams and not just one person as previously.

The traditional formal authority is not effective, since orders can be disobeyed, as can be obeyed when they are wrong and the consequences of these different possibilities. The authority rests on the acceptance (or not) of the consent and approval of subordinates, there is in fact the concept of legitimacy of authority but it's very simple: people simply choose between different subordinate alternatives to obey or not obey. It is important that the organizational structure helps to create a situation in which the administrator can manage more effectively. In this sense, the organization is a technique to foster leadership. If the assignment of authority and structural arrangements create a situation where there is a tendency for heads of departments are viewed as leaders and which help them in their leadership tasks will be completed the organizational structuring an essential task.

In this perspective implicitly posits an opposition between heterarchical relations (identified with those that occur in networks) and hierarchical (associated with the chains of authority), the latter appear as harmful to be banished or as the expression of a form lower organizational or somewhat inadequate to meet the demands of the global economy and contemporary economic societies. All members of an organization have the authority to make decisions and take actions that affect the future of the organization, one of the contributions of the new concepts of authority focus on the technical revolution to make decisions, and that does not correspond organizational subjects, but rather dynamic outside hierarchical structures.

There may be circumstances in which a team leader makes sense, but others where it is clear that it does not. Moreover, sometimes, if performance decreases head, because low motivation. It must be accountable to yourself and not to the head, in this sense there is a recognition of autonomy of the labor force and clarity of the items contracted beyond the subordination.

Some might argue that leaders are needed and that the general direction should be. The question to ask then, is how many DGs are leaders of their teams, this absence is simplified by the hierarchical structure, delegation, and the imposition subordinal. These assumptions lead to think that modern or contemporary companies are already far from requiring hierarchical environments because people and organizations have evolved cognitive and competitively, not even requiring new forms of government, but better ways to address. In this sense, the new models and practices should aim at simplifying the complexity reduction in the organizational world, trying to be consistent with real-world processes and relevant to the objectives of each other, in building the capacity of dynamic interactive learning on different processes and forms of interdependence causal attributions of responsibility and capacity to act, and opportunities for coordination in a complex and turbulent.

This capacity is improved when agents can move from one to another of the various modes of governance for more effective responses to internal or external turbulence, in developing methods for coordinating activities among different social forces identities, interests and systems different meanings in different spatio-temporal horizons and in different areas of intervention. It depends on the self-reflective use of self-organization to support the exchange, negotiation, or solidary, as well as the specific nature of the coordination problems which may arise acting at different scales and in different time horizons, and determine a common world view and a system that stabilizes the orientations, expectations and standards of behavior of key actors. This can be carried out a systematic analysis and assessment of problems and opportunities, availability and resource requirements and the framework for the continuing fulfillment of coordination both positive and negative.

**Other conclusions:** Man must be annealed at full capacity not only in the functional; Coordination and leadership are not the same authority; The organizational structure can be adapted to contingent structures in terms of knowledge (professional, empirical or formal, informal) and not the authority; The hierarchical relationships (proposed many members with power and authority, and so are in the exercise) decrease the effectiveness of organizations; The authority and power lines are not energizing the organization, are not essential; No authority is an element that has permanently react negatively to organizations (dismissals, disciplinary procedures, absenteeism, turnover); Because companies do not consider as a single body, where all groups have the same goals, not that the mission and vision of organizations; The small and large organizations will have the same application under the authority and function, or simply need to state that do not require it; The new organizational theories tend to express autonomy, but the inability of people run it, only found in the hierarchy, domination, subordination and authority, their ability to operate; Not having thoughts rigid and hierarchical structures, does not mean that things are messy; The authority, only represents an organizing principle and nothing else; The education in confidence will be one of the most important values of society and a kind of success in the future. It's a real difference to survive in the management of new businesses; The blows are distributed throughout the organization; The loss of power and authority is a symptom of fear; The dissident, restores the dignity of the employee, prevents deterioration of the physical qualities, intellectual, emotional and autonomy, and definitely keeps the status quo of the companies; Assuming that the authority is in the
hierarchy, there should be no difference between leaders and managers; The human being is a maximizing their individual utility depends on their resources and their production.

References
Cresby, P. (1987). La Calidad No Cuesta (Qualiyis Free), México, Compañía Editorial Continental S.A.
Kofman, F., & Senge, P.M. (1993). Communities of commitment: the heart of learning organizations, Organizational Dynamics, 22(2), 5-23. doi. 10.1016/0090-4425(93)90050-B


Copyrights
Copyright for this article is retained by the author(s), with first publication rights granted to the journal. This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (http://creativecommons.org/licenses/by-nc/4.0).