

From Management to Governance: A Philosophy of Human Resource Innovation

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Abstract: There is no doubt that human resources (HR) have surpassed the traditional production factors such as capital and land, and have become the most active and creative elements in modern society. Therefore, the purpose of this paper is to analyze the ways and influences of human resource innovation. From management to innovation, this paper attempted to analyze with philosophical thinking. From a philosophical point of view, the management of "institutionalized people" should be re-examined and the subjectivity, creativity and totality of people should be restored. The way of thinking must also undergo profound changes, that is, from a vertical and compulsive way of thinking to a multi-dimensional and multi-level way of thinking. In particular, as a new general trend, this budding has significance and can serve as a guiding principle for reality. Similarly, different organizational structures and management models have different effects on the development of enterprises. These are just various ways of organizing enterprises to achieve their goals according to different market environments and development conditions, and are not diametrically opposed.

1. Introduction

During the development period, China has enjoyed a huge demographic dividend and has rich research on the utilization of human resources. Makkaoui M examined the importance of talent management in emerging economies and then focuses on the concept of strengthening capabilities at the national, organizational and individual levels [1]. Solheim M was committed to exploring the difference between theoretical perspectives on human resource diversity and knowledge exploration and utilization, and hoped to link the theory and practice of human resources [2]. Song W collected data from 143 companies in China, and actually explored the ways in which green human resource management affects and improves the green innovation capability of enterprises [3]. From the Motivation-Opportunity-Abilities (MOA) framework, Choi B identified and described the strategic human resource management practices that may affect the company's breakthrough innovation outcomes [4-6]. In the new stage of China's development, the utilization of human resources must be more efficient, and relevant scholars are focusing on the efficient utilization of human resources. However, their research on the utilization of human resources and the underlying principles is not deep enough. The innovations of this paper are as follows: based on the reading and analysis of a

large number of literatures, this paper conducted in-depth research on human resource management.

2. Human Resources from "Management" to "Governance": Difference Analysis

2.1 Profound Changes in the Times: Competition and Diversification

With the in-depth development of contemporary globalization and informatization, the living conditions and living environment of enterprises have undergone great changes. On the one hand, various complex factors and uncertainties have increased. On the other hand, the innovation and strategic awareness of enterprises are constantly improving. The problem of modern society for the survival and development of enterprises comes with a series of new major problems and challenges faced by enterprise human resource management. Therefore, competitiveness and diversification transcend traditional historical connotations and take on a whole new meaning in contemporary times.

Enterprise competition has experienced the transformation from traditional competition to modern competition. The contribution of human capital to enterprises has also changed. In the past, human capital was unlikely to be of much help, and it played a secondary role, but now it plays a pivotal role. More specifically, the traditional competition is more focused on the scale, production efficiency, output and capital turnover speed of enterprises. This is simply because of the severe shortage of social material and service products, the global total demand is large, but the level of demand is not high. Under traditional competition conditions, human capital is the complement of all input elements. It is passive and secondary, existing as a factor attached to the machine. With the advent of an affluent society, basic material products and services can no longer meet people's consumption needs, and people's awareness of "quality" has increased a lot. All these factors constitute key indicators of product competitiveness and enterprise competitiveness. Some American scholars say that in today's American economy, a considerable part of the economic growth comes from the high-tech sector, while some people believe that development and innovation have always been the main source of the United States' comparative advantage. For China, "the shift from physical capital investment to human capital investment, and from low-cost competition to high-value-added competition, are the basis for the development of human capital in the period of economic transformation." Therefore, the survival and development of enterprises are closely related to these elements. The traditional competition model has been unable to meet the development requirements of the times. In the new environment, the relationship between product quality and human capital quality is getting closer and closer. Whether human capital can give full play to its creativity and initiative to promote enterprise innovation and product upgrading is related to the final form and potential market share of the product. "Human resources" are the source of technological and managerial innovations that generate entrepreneurial rents. If human capital can be fully integrated into the enterprise organization, the coordination between organization and strategy and the overall service level of the enterprise would be improved. This is an issue related to enterprise efficiency and future development. The quality of human resources and investment plays an important role in the quality of enterprise output and enterprise competitiveness. In the course of operation, if the entrepreneur makes efforts to accumulate and improve the organizational human capital, the enterprise would not go bankrupt. Therefore, the competition of modern enterprises is more the competition of talents. Human capital should be regarded as a key element and strategy, and should be taken into account in the development and management of human resources in the enterprise.

The diversification of enterprise human resources reflects the complexity of personnel and the diversification of interests. More specifically, it is the consequence of complex and diverse differences in personnel composition. With the development of the times, people are freed from the

relationship between land and specific groups, then the labor force can break through the spatial barriers and move freely. The movement of people, driven by globalization and a wave of multinational corporations, is far greater in scope, volume and speed than before. This mobility adds to the complexity of the personnel composition. The degree of heterogeneity of human capital is getting higher and higher. However, people from different places and different classes have different job characteristics, personal abilities, creative characteristics, ways of thinking, values and lifestyles. The way they approach work and build relationships is very different. In an era characterized by the concentration of traditional resources and energy and large-scale manufacturing, the diversification and changes in personnel composition are not obvious. Therefore, the new situation poses new challenges to human resource management. Since the three most synergistic aspects of flexible manufacturing, modern enterprise systems and postmodernism emphasize individual interests, the way flexible production works has changed dramatically. Flexible manufacturing is more flexible than traditional Ford-style mass production and uses modern information and communication technology more widely. During production, individual control over production becomes more independent. Personal costs become to some extent a long-term fixed cost element rather than a short-term variable cost. In other words, individuals are not only irreplaceable, but also provide value-added services. At the same time, individuals are more aware of the residual value of products and hope to gain more benefits. The establishment of the modern enterprise system enables enterprise employees and non-enterprise employees to purchase any number of financial products, such as stocks. The interests of enterprises are closely related to the holders of financial products. The established system strengthens their demands on the interests of enterprises, making them linked with the survival and development of enterprises in various complex ways. Finally, the pursuit of individual spirit, unique mind and code of conduct emphasized by postmodernism should not be ignored. Due to the influence of globalization and post-modernization, the interests of employees and the manifestation of individual existence and value have become more intense and extensive, which poses a challenge to the diversified governance required by order in human resource management.

The profoundly changing international situation requires the transformation of traditional competition to modern human resource competition, and gradually presents an unprecedented trend of diversification. These changes pose a huge challenge to traditional human resource management. The breakthrough of the original framework and the exploration of new strategies have become inevitable in human resource management.

2.2 Fundamental Differences in Role Definition: Objective or Subjective

A core problem in human resource management is the function or role played by human resources, which involves two aspects. One is objectivity, that is, objective, single, and passive. The other is subjectivity, that is, participation, synthesis and initiative.

If it is analyzed from the level of enterprise management, it would be found that the traditional human resource management is to define the human factor with the help of the organization, and to be understood in the organization. From this perspective, the human factor is an object and a passive force. Specifically, one of the major contributions of human resource management is the growth and sustainability of business performance by putting the right people on the right jobs. There is a delicate issue that needs to be dealt with in this process, and that is the relationship between organizations and people. Traditional human resources place more emphasis on organization, through which people can accomplish various tasks. Humans are thus trained, guided and shaped by organizations. Humans are reduced to mere labor. Human behavior in an organization is broken down into fragments with limitations due to various systems, company

standards, and requirements. Humans are literally stuffed into organizations and systems. People's social, cultural attributes, emotional and psychological factors, as well as comprehensive quality and creativity have not been paid enough attention. All these important factors never made it into management's field of vision, which eventually led to human resistance to the organization. Therefore, man exists as an object. One changed the way he behaved just because the organization changed and he was shaped into the employee the organization needed. Most of the original ability and wisdom of human resources are not involved in enterprise production. Human independence has not been fully developed. These problems result in wasted human resources and low returns on human capital. Therefore, the function or role of a person who requires a shift from objectivity to subjectivity is very important. At the same time, the dialectical unity of objectivity and subjectivity should be achieved, rather than simply going to extremes. This is at the heart of properly handling the relationship between organizations and people.

From the perspective of enterprise management, traditional human resource management mainly focuses on micro aspects. The orientation of human resource management is the department, not the whole enterprise. As a part of corporate governance, human resource governance does not emphasize the macroscopic operating mechanism of the human resource system. This means that human resource professionals (HRPs) have the opportunity to play a greater role in promoting organizational success if they can effectively develop systems and policies that align with the organization's values, goals, and mission. Moreover, those stakeholders outside the enterprise have generally not been considered so far. Therefore, the role of human resources as a functional department of an enterprise is limited. For enterprises, the positioning of human resources is still the positioning of objects. More specifically, on the one hand, the object of traditional human resources mainly includes enterprise employees, and covers selection, training, compensation and benefits and performance appraisal. Business management recruited the workers they needed. But as a part of human capital, it is rarely formally included in the category of human resource management. Human resource management has not risen to the height of enterprise development and strategy. It does not enter into the development and maintenance of corporate human capital as an active participant. Instead, its functionality is limited to managing employees within a business. On the other hand, in traditional human resources, stakeholders outside the enterprise such as market, customer and service department stakeholders have not been paid enough attention. They are very important indirect human resources.

2.3 Contemporary Transformation of Human Resource Management: From Management to Governance

The theory and practice of human resource management have gone through two stages of traditional personnel management and human resource management, and gradually entered the stage of strategic human resource management. Theoretical innovation and practical exploration never stop. However, the effectiveness of human resources is underperforming, especially driven by a new round of epochal progress and a huge wave of enterprise development. The main reason is the change of management mode. The traditional personnel management aims at the scientific management era after the industrial revolution. With the emergence of the factory system, a large number of workers gathered to engage in production. Therefore, it is necessary to manage the factory workers. However, this management is mainly the management of day-to-day affairs, including recruitment and selection, personnel files, training and performance appraisal, employment records, salary payments and behavior matching. The main feature of this management is transaction-oriented production, and man exists only because he is supposed to get the job done.

Human resource management is a new management model based on the era of social citizen management, and it is a transformation of the management model of human resource departments in

western countries. Human resource management is generally responsible for traditional personnel matters. In addition, it works on the formulation of human resource planning policies, human resource development, career management, and more. Although this model pays attention to the sociality of people and the significance of developing human resources to a certain extent, and it has a global perspective. However, from the perspective of management philosophy, human resources are not strategic resources. It is still in the management of passive participation rather than active participation. In the stage of strategic human resource management, human resources are regarded as a superior resource that can gain competitiveness and provide future income. Human resources can not only be used to increase profits, but also optimize organizational structure and asset structure, and improve the material environment of enterprises, thereby enhancing the competitiveness of enterprises. This makes human capital have a special strategic significance, and also provides experience and reference for exploring human capital from a macro perspective. However, strategic human resource management manages human capital in a top-down manner, and is centered on the top management of the company rather than low-level employees, which lacks openness and a microscopic perspective. Human resource governance pays more attention to the openness, integrity and negotiation of human resource practice, which is a possible way to make up for the shortcomings of previous management. The openness of human resource governance is different from the system openness in the general sense of management. It emphasizes the relationship between the organizational system and the external environment of the enterprise, and pays more attention to the human resource system that can fully absorb various governance forces, so that these forces can freely participate in corporate affairs and avoid monopoly and weakening of governance capabilities. Once the HR system becomes a closed system, it would cut off the possibility of business stakeholders to truly engage and provide information and wisdom. Therefore, many talents cannot serve the enterprise development well and provide valuable suggestions. HR practices would ultimately lack fresh blood and may not even be able to respond adequately and effectively to changes brought about by the environment, and ultimately hinder business growth. The integrity of human resource governance requires that most of the members of the enterprise be brought into the field of human resource governance, and the relationship between human capital governance and the current and future development of the enterprise is fully balanced. Human resource governance is not only the governance of enterprise employees, but also includes supervisors and managers. Furthermore, it does not only develop human capital focused on the current business and position of the enterprise. More importantly, it emphasizes the future development and organizational work of the market and enterprises, and focuses on the ability to develop human capital. The negotiable nature of HR governance requires that all employees participate equally in governance, which does not include hard and mandatory practices. Through cooperation, consultation, partnership and common purpose recognition, a horizontal rather than a vertical approach is required to conduct business and implement governance. The authority to govern comes from different rulers, not some special person or position.

3. Human Resource Innovation Breaks the Game

3.1 Diversification of Governance Subjects

The diversification of human resource governance subjects refers to the various aspects of corporate governance power that emerge in the process of enterprise development. A major feature of governance is that the subject is no longer just one group, but several groups that participate together. For a company, it should cultivate, select and develop different interest groups as governance bodies to identify problems from both inside and outside, thereby enhancing cooperation and gathering intelligence. As discussed above, competition among modern companies is intensifying. Competition has shifted from being quantity-centred to quality-centred. Human capital becomes the fundamental source of competition. Technological innovation, management

optimization, service upgrade and effective cooperation should fully consider the important role of human resources. Therefore, it is particularly important to explore the specialties and comprehensive innovation capabilities of different professionals and pay enough attention to improve their contribution to the company. At the same time, contemporary labor markets are highly fluid. The workforce structure in China and other countries is more complex than ever. There are complex geographic differences in the workforce from different locations. Therefore, the challenge of cultural integration is greater. In order to emerge stronger in a diverse society, organizations must leverage diverse employees as a source of competitive advantage. If the culture is well integrated, the risk of conflict between entrepreneurs can be avoided, and cultural differences can be turned into a valuable resource for more beneficial advertising. In contrast, if culture clashes become intense, employee motivation would be dampened and overall efficiency would suffer, which can put the company at risk of poor organization and disorganized collaboration. These would deplete the entrepreneur's development momentum and create a mess of unfavorable situations. Therefore, it is important to tap the capabilities and wisdom of different subjects to ensure that different voices can be heard and reasonable actions can be implemented. These are all important factors in human resource management and maintaining sustainable competitiveness.

Since the principle of diversification of human resources governance subjects is not only a requirement of the development of the times, but also an objective requirement of its own development, then how to realize the diversification of governance needs to be further discussed. The realization of diversity governance should be carried out from the outside and inside of the company. As far as the company is concerned, the diversity of governance subjects means that it is necessary to examine how to realize multiple subjects from the overall and organizational level of the enterprise. For the entire company, human capital includes not only lower-level employees, but also the board of directors, middle and senior management, line managers and other employees, which are all human capital factors in the company. Human resources formed by different groups are different, and they have very different contributions to the company. Workers on the production line function are used as a dynamic factor, such as the power of production and innovation. The dominant position of each group in the governance process should be established, and issues at different levels and interest growth points in the enterprise development process should be raised from their respective professional fields, so as to achieve internal communication and integration. Otherwise, the benefits of diversity cannot be realized through isolated interventions. For outside the company, external stakeholders such as consumers and collaborators should be given due attention. Although they are external to the business, they influence the company as a potential governance force. Special consideration should be given to the introduction of human resource outsourcing services and the market mechanism of external consulting agencies in the process of organizational change, and marketing partners are fully utilized to implement the optimal allocation of human capital.

Finally, in the process of the diversification of human resources governance subjects, it is necessary to carefully handle the relationship between diversification, stability and coordination. Diversity implies adequacy of sources of governance power. At the same time, it is also necessary to prevent unnecessary confusion in the diversity process and to plan the organization and human resources to make it dynamic and healthy.

3.2 Negotiating Governance Methods

In the process of managing human resources, the entrepreneur's governance body needs to pay more attention to establishing working relationship and company relationship through negotiation. Negotiation means that the relationship between leaders, middle and senior managers, direct managers, human resource specialists, employees and the external market needs to be rebuilt in order to further the reform. The relationship between these different governance bodies is either an

administrative relationship or a working relationship of vertical command or management, but more of an equality and cooperation relationship. Power or authority does not come from one person or one position, or is immutable. It changes with the change of the governing body. Those with professional skills and governance would have greater power and authority in the matter. Therefore, this governance is more situational and local, and it places more emphasis on horizontal linkages than vertical command. The negotiation method has become the main method of human resource governance because in traditional management, whether it is interpersonal management, human resource management or strategic management, there is a strong tendency to target, and the subjectivity and overallity of human capital cannot be highlighted. Or it can be said that human capital is limited to the basic employees of a certain department or a certain size. This method cannot reflect the subjective and general characteristics of human capital, and is limited to a certain size of department and grassroots employees. They are object-oriented beings with no equal status and are impossible to negotiate.

Therefore, two aspects need to be fully considered in the negotiation process, democratic principles and institutional norms. On the one hand, the negotiation path of entrepreneurial human resource governance first needs to ensure democracy. The purpose of negotiation is to reach consensus and come up with solutions in communication, debate and discussion to achieve the best decision and best outcome. If a substantive rather than a formal consultative relationship is to be achieved, there must be an open mind and a spirit of participation. The relevant governance body of the company's human resources should have the right to participate in the negotiation and obtain the power to bring criticism into the process or negotiation. Otherwise it's just an unequal formalism, an arrangement and role-playing. Negotiations take place before decisions are made. Consultation is only a form of endorsement. On the other hand, the standardization of the system indicates that the negotiation must be institutionalized and legalized. The so-called institutionalization means that the process of democratic participation in consultation requires a corresponding institutional platform. The platform can connect HR governance bodies and enable them to communicate with each other there. In this platform, different viewpoints are equally respected and valued. Legalization means that the negotiation process must be completed through the rules of procedure. Only by following this procedure would the views and performance of the governing body be considered reasonable and valid, rather than through the execution of top-down executive orders or purely relying on certain elements of power to formulate corporate plans.

3.3 Legitimate Consequences of Governance

Results justice is not only the value pursuit of human resource governance, but also a practical requirement. Institutionalization and legalization are important to the consultative process, and procedural justice is emphasized in the negotiated model of governance. However, procedural justice needs to be paid as much attention as outcome justice. Procedural justice lies in the process, while outcome justice emphasizes actual outcomes. Outcome justice is mainly the justice of enterprise development goals and the justice of rights and obligations of human resource governance. The governing body has substantive rights and corresponding obligations. Rights and obligations apply not only to the work itself, but also to individual activities in the enterprise.

Specifically, outcome justice focuses on three areas: work, society, and life. The fairness of the results at the work level is related to the fairness of the basic differences and differences in rights and responsibilities of the main governance entities participating in the business contributed by the enterprise. Employees have the right to choose suitable jobs and perform their responsibilities according to their abilities. "Sharing responsibility encourages risk" can perfectly achieve innovation. At the same time, to a certain extent, it can also avoid discrimination and unspoken rules, especially in human resource arrangement and human resource utilization, such as training and development of enterprise members, career planning and promotion, performance system and salary payment, etc. These need to be fair to ensure the realization of stakeholder interests. At the

social level, outcome justice concerns the construction of formal or informal social relations (such as trade unions or labor organizations and various cultural organizations, etc.), the handling of labor relations, the guarantee of occupational safety and health, and the realization of various social welfare rights. These should be resolved together in a process of equal participation, thereby giving value to all equity entities. This can improve the contribution of all subjects to the company and enhance the cohesion of the company. In terms of life, fair results means that employees' personal lifestyles should be treated fairly. Economic globalization has led to the complication of the composition of business personnel, as well as differences in lifestyles and values. Therefore, it is especially important for employees to be treated fairly and with the respect they deserve. In addition, being fair about employee privacy, such as handling sexual harassment properly, and being rational about alternative views and office romances are just as important.

4. Conclusions

The huge difference between human resource management and governance is not only the result of development, but also the requirement of human resource theory and practice to adapt to enterprise development. Human resource governance is a creative change to traditional human resource management, which is profoundly and fundamentally different from traditional human resource management. It is necessary to build a new concept and values, and also need to cultivate a thinking for specific governance paths. Governance subjects, governance methods, and governance outcomes should also be considered, and by integrating these factors, the practice of the enterprise should be facilitated. The aging trend of China's population is becoming more and more serious. Under such circumstances, it is very important to do a good job in the innovation of human resource management and the improvement of the efficiency and vitality of human resource utilization. This paper discussed the philosophical analysis of human resource innovation, and described the process of human resource innovation from management to governance. In view of the current situation of human resources, this paper argued that the situation should be broken from three aspects: the diversification of governance subjects, the negotiation of governance methods and the justification of the consequences of governance.

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