HUMAN RESOURCE MANAGEMENT

A Managerial Perspective

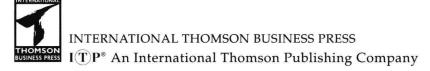
on HRM operations and strategy

Nelarine Cornelius



Human Resource Management: A Managerial Perspective

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Foreword

Over the years, the profile of students studying human resource management has changed significantly. Not so long ago, the emphasis was much more on specialist professional development courses or specialist pathways on a limited number of undergraduate and postgraduate programmes in business or management.

However, there has been a significant growth in the popularity of generalist undergraduate courses and in particular post-experience management programmes at the DMS and MBA levels. There has also been a growth in the number of postgraduate degrees in general or international management. On such courses, human resource management is one of many important topics and, therefore, hard choices need to be made about what realistically the generalist student can be introduced to and, equally important, what is relevant. We have sensed a growing appreciation of human resource management as a core activity on these courses, but one for which line managers are expected to do more themselves, often with reduced support from specialist human resource management professionals: indeed, often some key specialist functions have been outsourced out of the organization altogether.

Rather than being driven by the personal preferences of the then small fledgling writing team, we did two things: reviewed the literature available and conducted a small survey amongst post-experience DMS and MBA students. What we found confirmed what we had sensed: that we needed a core of what we were already delivering on these programmes – what we can think about as a 'core curriculum'. There was also a great deal of interest in specific applications of human resource management, such as international resource management and human resource management within the context of small to medium-sized companies.

Clearly, our final decisions about what should and should not be included was always going to be a compromise. However, we did make the decision to ensure that we would write informatively beyond our core curriculum, that we would involve those who had an interest in the teaching and research of human resource management issues, and who held primary research and practitioner interests in related disciplines, such as employment law, information technology, international management policy and strategy, and the management of small to medium sized enterprises.

We have taken the 'dedicated specialist' route. All of the writers have taught and researched in the areas they have written about, many have worked in these fields prior to undertaking an academic career and continue working as consultants in these areas. All have considerable expertise in teaching post-experience students and many have written materials for and taught on distance learning programmes at certificate, diploma and masters levels of instruction. This expertise has shaped the structure and many features of the book. There are clear learning objectives and self-test questions for each chapter. A detailed glossary of key terms is also available at the end of the text. We felt that it was particularly important that the sections on employment law, which take the

form of 'Legal briefings' at the end of each chapter, should have more frequent updates. The resources area of the ITBP website at *www.itbp.com* will include annual updates of all the legal briefings covered in the book. Sets of the key diagrams and tables included in the text are also available to download from the Internet as full-sized overhead transparencies.

Although every effort has been made to avoid burdening the reader unnecessarily, we have taken particular pains to ensure that our writing is underpinned with theories and concepts drawn not only from the mainstream human resource management literature but more broadly, including organizational behaviour, strategic and international management, information technology, small business theory and change management theory.

We would anticipate that this book would be particularly suitable for students on post-experience programmes, but would also be suitable for the student reading for a general business or management degree. Throughout, we have tried to relate theory to practice, and would anticipate that the line manager with significant responsibilities for human resourcing issues will also find much to interest them.

Acknowledgements

A number of HRM practitioners, line managers and academic staff have helped shape the content of this book through critical reading of chapters or through detailed discussions. We would like to express our thanks in particular to Dr Bert Rolf of the Hanzehogeschol, Groningen, the Netherlands; Dr Dominic Bessant of the University of Lille, France; Mr Freddy Lelie of Digital Europe, Brussels, Belgium; Dr Susan Maxwell of the Fire Service College, Moreton in Marsh, Gloucestershire, United Kingdom; Shaun Todd of Great Western Trains, Swindon, United Kingdom.

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Pen portraits

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Alan Blackburn is Principal Lecturer in Human Resource Management at Oxford Brookes University School of Business. He began his career at Vickers Engineering Group, Newcastle, as a Technician Apprentice before moving into the Personnel Department at Gateshead Metropolitan Borough Council. Here he acted in a consultancy role to council departments on various organizational issues. In 1995, he moved to Cranfield Institute of Technology and worked predominantly for the Ministry of Defence. He moved to Oxford Brookes University in 1990 and has managed and played a leading role in the development of postgraduate Diploma Courses within the School of Business. Alan teaches Human Resource Management on the DMS and MBA programmes and Employee Relations and Employee Rewards on DPM. He has undertaken training and consultancy activities for a number of organizations including, Interforward Logistics, Rank Leisure, Oxford Radcliffe Hospital and Unipart. He is presently researching models of management in Hospital Trusts. Alan graduated in Business Studies from the University of Northumbria and was awarded an MA in Industrial Relations by the University of Warwick. He is also a corporate member of the Institute of Personnel and Development.

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Prior to entering higher education, she worked as an international consultant and manager for General Motors, both in the UK and in Europe, and also in local government. She has acted, and continues to act, as an external consultant for a variety of private, public and voluntary organizations. She is a chartered psychologist, whose research interests include the management of diversity; management and organizational learning; management and decision-making; and scenario planning. She has taught on a wide variety of post-experience programmes for managers, has been part of curriculum design teams for the Certificate and Diploma courses in management and was part of the design team for the new MBA programme at Brunel University. She has also written modules for these programmes. She has acted as External Examiner to the Universities of Reading, Hertfordshire and Westminster. She is a fellow of the Institute of Personnel and Development and the Royal Society of Arts, and an Associate Fellow of the British Psychological Society.

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Beryl Grant

Beryl Grant is a law graduate of the London School of Economics and was called to the Bar by Grays Inn. Her long-term interest in labour law dates from university days and is reflected in the research thesis that gained the postgraduate Diploma in Law from Oxford University: 'The Sex Discrimination Act, 1975: the establishment of unlawful discrimination by individual complainants'. She has been a member of the Industrial Law Society since its inception in the early 1970s.

She was invited to join the steering committee that was setting up the Oxford Institute of Legal Practice and contributed the unit on 'Business Law and Practice' to the course. She sits as an Oxford Brookes University appointee on the Board of Studies.

Until her recent retirement, she held the post of Senior Lecturer in Law at the School of Social Sciences and Law, Oxford Brookes University. Her teaching commitments have included contributions to the Diploma in Personnel Management and the Human Resource Management component of the MBA. She contributed the law section to the student materials provided for the Oxford Brookes University Open Learning MBA.

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programmes. Clive is a member of the Institute of Management and a Graduate Member of the Institute of Personnel Development.

Prior to joining the School of Business at Oxford Brookes in 1991, Clive worked for ten years as a Marketing Manager and Project Leader within the world of academic publishing. He has worked with a number of leading publishers in the field specializing latterly, in acquisition studies across the industry. Between 1989-90, Clive studied on a full-time MBA programme at the University of Bradford Management Centre, specializing in Human Resource Management. Clive's current research interest is in the globalization of the publishing and newspaper industries, with specific reference to the role of electronic publishing as a significant driving force for change.

David Wilson

We live in exciting times. As a freelance business author and tutor, my role is to make sense of the flood of technology-induced changes occurring in business right now. The computer-based communications technologies such as Electronic Data Interchange and the Internet are creating a new business environment of 'co-opetition'', in which commercial advantage can be gained through greater openness and more trusting relationships, both within and between organizations.

My day-job since leaving Oxford Brookes University School of Business, is lecturing for the EAP European School of Management with bases in Paris, Oxford, Berlin and Madrid. The students who are on Masters programmes in European Business and Management, are fluent in three European languages, and end up with business theory and work experience gained in those three European countries.

In between lecturing I write about information technology and its impact on business, trying to clarify principles so they can perhaps be exploited more widely. I try for a style which connects with the experience and concerns of managers, who often know more than I do about some aspects of technology, but who occasionally lack the wider perspective of developments in other organizations, and other industries.

I have two books published by Butterworth Heinemann in association with the Institute of Management. They are Managing Information (1997) 2nd Ed and Managing Knowledge (1996). My main interest is in how computers should be used to exploit the knowledge resource, by building on foundations of TQM, BPR, and above all, HRM.

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Introduction and overview

Nelarine Cornelius

HRM themes addressed in this book

In this textbook, rather than accepting or rejecting specific models of HRM or indeed personnel management as appropriate or not, we have identified a number of themes that we believe provide important insights into systems of employment management. These reflect changes in the theories and practice of the world of work to which the line manager or those interested in general management need to be attuned to in order to understand how such changes can be tackled from a 'people management' perspective.

We do not claim that these themes are a definitive list, but have opted to select themes which appear on the surface at least to be attracting the attention of those who work or research in the area of HRM and also those who are in fields in which an appreciation of the significance of effective employment management is growing (Figure 0.1).

The first of these themes concerns the relationship between the line manager, his or her subordinates, and the HRM or personnel professional. The **line manager–HR professional relationship** can be represented on a continuum from a great degree of specialization and tight lines of demarcation of roles and responsibilities with the HR professional in 'large' departments,

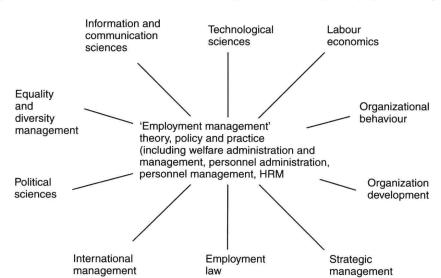


Figure 0.1 Areas of research and practice informing our understanding of employment management.

taking the primary lead and responsibility for HR issues, through to HR practice in which the line manager has full control of HR issues and the role of personnel is exclusively advisory, and there is essentially no HR department at all. Clearly, the greater the move towards line managers holding key roles and real responsibility for HR practice, the less acceptable is the 'gifted HRM amateur'. Specifically, there is an obvious training and development need for the line manager in order to be able to take on these tasks and execute them effectively.

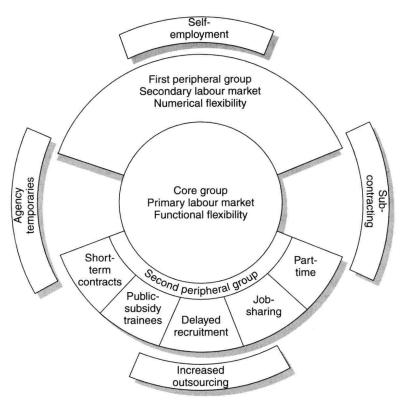
Second, there is the theme of the **interrelatedness** and more **holistic approaches** in the practice of HRM. These interrelationships include:

- the links between general and HRM-specific strategic decision making and planning;
- the links between strategic HRM and more operational HRM;
- the interrelationship between parts of the HRM sub-systems, for example between the quality of the recruitment and selection process and the type of training and development plans that should be followed;
- the perception that traditional line and staff activities are now more difficult to separate and, indeed, that there is a greater degree of overlap reflected in increasing HR responsibilities for the line manager.

There are changes in work organizations that have been regarded by some as major **step changes**. These would include:

- The **impact of information technology**, which has been a primary driver in securing efficiency gains but, beyond this, potentially provides the basis for new ways of working and sources of sustainable competitive advantage. As with the introduction of most technologies, there is the potential to generate more rewarding working lives for knowledge workers but also to create Taylorist-like controls over employees, such as electronic surveillance and monitoring of employee performance.
- A combination of economic pressures to downsize or restructure, coupled with the enabling device of new technology, has led to a renewed interest in different organizational forms. Some of these, such as the virtual organization (in reality, more likely to be a virtualized part of a large, more conventional enterprise) and more broadly, network structures made up of associates, have captured the imagination. However, what is seen as a desirable organizational form should go beyond an uncritical consideration of short-term financial gains or pursuing the latest fashion. There have always been, and always will be, specific organizational structures that alone or in combination best suit the needs of a specific organization at a given moment in time.
- More firmly established is the flexible organization (Figure 0.2). Flexibility is sometimes considered in terms of functional flexibility the range of skills and competences that employees possess that enable them to complete a wide range of jobs. However, organizational flexibility is usually considered in terms of numerical flexibility, with a core of permanent, often full-time employees, and other part-time or short-term contract workers used and the latter in particular shed as required.
- Technological advances and a desire to exploit labour markets around the world have increasingly led to organizations undertaking the production

Figure 0.2 The flexible firm. Source: Atkinson, 1984.



and delivery of goods and services from a global perspective. This has meant that increased competence is required on the part of HRM professionals and line managers in order to cope with different approaches to people management and the difficulties that may arise when attempting to 'manage abroad' or deal with the cultural differences associated with multinational teams.

- Organizational flexibility has been accompanied by **increasing uncertainty about job security**, with a job for life becoming a thing of the past in particular industries and sectors. Against a background of heightened pressure on the welfare safety nets provided by many governments, there are also increasing anxieties about the type of support that will be secured if made unemployed, and in this climate, anxiety about the need to 'fend for oneself is heightened. The responsibility for the management of security of employment is shifting among many from the responsibility of the employer to more proactive strategies on the part of employees to ensure that they remain employable. Therefore, the management and continual updating of a **personal portfolio of skills, knowledge and expertise** is seen as core to ensuring continuity of employment, if not continuity with a specific employer.
- Other changes in organizational structure centre around the permanent issue of deciding upon the **degree of centralization or decentralization**

desirable. In recent times, many companies have moved towards decentralization, with significant reductions in headquarters and support staff. Within the context of the downsizing that often accompanies it, this means that more traditional support activities are either being contracted out and brought in when required or more support staff activities end up devolved down to the line.

- On the back of Japanese models of management there is the increasing popularity of **high commitment management and employee empowerment**. This in part reflects a shift in the industrial relations landscape of many organizations. At its most positive, commitment management may ensure more active engagement with getting the job done by heightening employee motivation. However, a more cynical view is that it represents a sophisticated form of employee manipulation with a view to securing compliance.
- Issues which have also gained importance are actual and quasi-measurement, in the form of **standard setting**, and **value for money** in management in general, and HRM is no exception to this. Added to this list is our observation that when any HR activity or intervention is introduced, set measures of success need to be established at the outset of their design, so that monitoring and evaluation can be put into train. The development of financial and non-financial measures of corporate performance at the strategic level is mirrored by a trend to monitor more closely the performance of individuals and teams. However, if well designed and managed, such systems provide important information through providing a more transparent and systematic approach to employee assessment; the setting out of expectations may also increase the expectations of employees regarding resources that the organization/manager will provide in order that these targets can be met.
- The identification of areas in which performance can be improved requires some form of assessment of the nature of the gap between desired and actual outcomes. Often, the cost of living with below standard performance is greater than making good the deficit, even if time and money need to be spent on improving performance. Again, the importance of training and development to the organization is highlighted.

Rise in **consumerism and an awareness of rights** reflected in the workplace also. Western societies are becoming increasingly litigious, with employees often seeking **legal recourse** if they feel that they have been badly treated by their employers. For many of these employee grievances, the role of the line manager in reducing the likelihood of complaint or alternatively, being the central cause of the complaint is significant. Brewster *et al.* found in their survey that line managers were very reticent about becoming involved in legal issues (Brewster and Hegewisch, 1994). The reality is that they often have no choice. For example, many will be expected to provide key information for disciplinary action.

The themes outlined above appear throughout the chapters in the book, and are illustrated in Figure 0.3.