

Human Resource Management and Development

Current Issues and Themes

John Kempton



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**HUMAN RESOURCE MANAGEMENT AND
DEVELOPMENT**

To Amanda, Eleanor, Sarah, Frank and especially Pat
'my critics jumped and shouted'

Introduction

The management of the human resource is not an exact science. Our knowledge of how organisations and people work is not complete. The purpose of this book is to try to explain a little about what goes on in organisations. That is, to take some of the complicated theories and ideas to see whether they really work or are relevant. One of the important points to remember is a word of warning from Brecht in *Mother Courage*: 'The finest plans have always been spoiled by the littleness of them that should carry them out.'

Porter, Lawler and Hackman (1975) in their work on organisation change suggest that there are three perspectives to viewing organisations: as a whole; as a collection of groups or teams; as a collection of individuals. The ideas and theories of individuals and organisations will be assessed against these three categories.

I make my living as a training and organisation development consultant. What that means is that I help organisations to decide what they want to achieve and/or how to improve what they are doing. As part of this process I deliver a lot of training across the spectrum of human resource management. I am also a lecturer in personnel and management for institutions such as the Civil Service College and the University of Surrey. My experience in education and in the world of work has led me to write this book.

I attempt to pick out some of the key theories in management to show just what they mean for organisations and the people who work in them.

The book starts by detailing the framework within which we live and work. Part I, then, is about *understanding the principles*. Chapters 1 and 2 look at what makes organisations work, starting with a look at theories of organisation and how they affect the structure of organisations. Chapter 2 looks at the people who make organisations work and then moves on to examine how people are different and what motivates them.

Having established the base to work upon and some of the practices that go on in organisations, in Part II we look at *organisational necessities*, that is what organisations are trying to achieve and what is 'good practice' in areas such as compensation and benefits (Chapter 3) and recruitment and selection (Chapter 4). Chapter 5 will examine some

other important human resource management practices, such as manpower planning and communication. The final chapter in Part II examines practices in training and development.

Part III is concerned with *good organisational practices* and examines some of the practices that have major effects on the way the organisation works. Topics discussed are leadership (Chapter 7), performance management and assertiveness (Chapter 8) and counselling (Chapter 9).

Part IV is the final section and looks at *making the ideal organisation*. That is, looking at how the organisation could be, and can be. Chapter 10 explores change, in particular change management, quality and customer care. The final chapter (Chapter 11) concentrates on empowerment, an approach that can incorporate all the good ways of operating to meet the needs of both individuals and the organisation.

JOHN KEMPTON

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Part I

**Understanding the
Principles**

1 The Foundations of the Organisation

This chapter is the first in the section entitled 'Understanding the Principles'. Part of the process of understanding the principles is to develop an understanding of the foundations of the organisation, so the place to start is with organisation theory and organisation structure.

Organisation theory provides a framework for understanding organisations. With it we can try to predict what certain kinds of organisation will do in different situations. It also helps to provide models to explain what has happened, or is happening, in an attempt to try to understand the complex organisations that we work for, interact with and live with.

Let me give you an example. One day in June 1994 I was sitting in my office trying to finish this book when a large swarm of bees appeared in my garden and settled 30 foot up on the branches of a large hawthorn tree. Fascinating as it was to have these bees, for the safety of my young children – who usually play in the garden – I thought I should have them removed.

I called an expert, a beekeeper, who – for a small fee – offered to take them away. The beekeeper put on his protective clothing and got his equipment ready. He advised me that the way to catch a swarm is to trap the queen and put her in a temporary hive. All the other bees will follow her and move from the tree (or the air) to be with her. After several attempts the beekeeper felt confident that he had caught the queen. Sure enough, by the evening all the bees had gone into the temporary hive, which was then removed.

There are many lessons we could learn from this tale but the key one I wish to put over is that the beekeeper had a good knowledge of bees and knew all he had to do was to find the queen and the rest would follow. He was able to predict fairly accurately the behaviour of the bee swarm, based on his knowledge of how other bees behave in similar circumstances. A comparable knowledge of organisations could enable us to understand and even predict what is happening in organisations. I could go on to describe management consultants (some of them

anyway) as the beekeepers of organisations, but maybe that is pushing it a bit far.

ORGANISATION THEORY

In the development of our understanding of organisation theory it is useful to look at the key approaches:

- Pre-classical
- Classical theory
- The human relations approach
- The systems approach
- Contingency theory
- Social action

Pre-Classical

There is a link between organisation and civilisation. The Greeks were very well organised – mostly into citizens and slaves! The Roman Empire was also achieved by being organised. Its success is normally attributed to its army – organised into legions with centurions.

Modern theories of organisation arose from the Industrial Revolution, which introduced factories and therefore organisation of man and resources. There was however little systematic organisation, indeed it can be suggested that factory workers were required to use less skill than they had previously used on the land.

Adam Smith and Karl Marx both proposed that simplification 'beyond a certain point' could have diminishing returns and produce feelings of alienation in workers.

Classical Theory

This first approach to management theory looked at the organisation in terms of its purpose and structure. Emphasis was placed on the planning of work. Assumptions were also made that people behaved in a rational, logical way.

The assumption of classical theory was that it was possible to work out the best way to do a job and then fix that forever. A legacy of this

approach is 'time and motion' study, where trained observers observe a process such as a production line and fix the standards of required performance. What this approach forgets, of course, is the human element!

Another example of where classical theory hinders organisations is where they have very detailed instructions on how to perform tasks. It may be that in certain environments, such as a plastics factory, this kind of proscribed approach is necessary – but translate it to a utility such as British Gas or to a shop dealing with customers and it may not be appropriate. The standards and instructions that are in place cannot hope to deal with every eventuality.

Logically we can understand that there is often (if not always) at least one other way of achieving the right result. An outcome of this organisation system is the process of 'quality circles', an idea borrowed from Japanese management whereby work teams are taken away from the job and encouraged to think of different and better ways of performing their tasks.

The chief exponent of the 'scientific management' approach was an American – Frederick W. Taylor (1947). His main research was conducted at the Bethlehem Steel works in 1911. Taylor started by observing a carefully selected man called Schmidt whose job was to move 100 pound blocks of pig iron onto a railroad carriage from a loading bay. Taylor analysed the work involved and broke it down to its constituent parts. That is, how many blocks could the man carry at once, how far did he have to move them and so on. Taylor then set the *optimal level of mechanical efficiency*. With this new approach Schmidt achieved a consistently higher level of efficiency. Indeed his improvement in productivity was 280 per cent

To support the extra effort Taylor introduced a performance related pay scheme to reward people for their extra effort. This idea has certainly stayed with us. Taylor, though, decided to limit the pay scheme to a maximum wage increase of 60 per cent regardless of how much worker productivity increased.

Scientific management suited the culture of its day, which was one of increasing productivity and a strong belief in the usefulness of 'science' and scientific methods. Some of the ideas are still upheld, notably that complex tasks can be broken down into simple functions and the process, therefore, is more easily controlled. However scientific management declined. One of the most important reasons for this was the

role of people in organisations. As work increased in complexity so the workforce needed to be more specialised and flexible.

Some of the problems associated with this approach are:

1. It can be very costly, in terms of time and money, to establish systems and maintain them.
2. Workers can often be resistant to being observed and 'slow down'.
3. The type of work produced is of the production line variety. Therefore workers may from time to time throw the proverbial spanner in the works to produce a reaction of stopping the process or producing some variety into a monotonous job. One of the best examples of a stereotype produced by the production line is that of Charlie Chaplin in the film *Modern Times*.

Henri Fayol

Henri Fayol (1841–1925, see Fayol, 1949) was a French industrialist and theorist. He developed his ideas of management at the same time as Taylor. It is assumed that neither knew of the other's existence and work. Fayol, in his book published in 1916, defines the role of management as follows: 'to manage is to forecast and plan, to organise, to command, to coordinate and to control'.

Fayol also devised 14 'principles of management' that describe organisations in a very rigid and unchanging way. Classical theory views organisations as being predictable and in many ways paternalistic. Fayol's principles of management (see Cole, 1990) are:

1. *Division of work*: dividing the work reduces the span of attention or effort for any one person or group. It develops practice and familiarity.
2. *Authority*: managers have the right to give orders. However authority should not be considered without reference to responsibility.
3. *Discipline*: the outward mark of respect in accordance with formal or informal agreements between the firm and its employees.
4. *Unity of command*: one man one boss.
5. *Unity of direction*: one leader and one plan for a group of activities with the same objective
6. *Subordination of individual interests to the general interest*: the interests of one individual or group should not prevail over the general good.
7. *Remuneration*: pay should be fair to both the employee and the firm.

8. *Centralisation*: centralisation will always be present to a greater or lesser extent, depending on the size of the organisation and the quality of its managers.
9. *Scalar chain*: a line of authority from the top to the bottom of the organisation.
10. *Order*: a place for everything and everything in its place, the right man in the right place.
11. *Equity*: a combination of kindness and justice towards employees.
12. *Stability of tenure of personnel*: employees need to be given time to settle into their jobs, even though this may be a lengthy period in the case of managers.
13. *Initiative*: within the limits of authority and discipline, all levels of staff should be encouraged to show initiative.
14. *Esprit de corps*: harmony is a great strength to an organisation; teamwork should be encouraged.

Later in this chapter I will compare this list of classical ideas with the current practices of contingency theory.

This description by Fayol reads all too much like the practices in place in many organisations in the UK and abroad today. In many ways one can see why senior managers want to run organisations along paternalistic, almost military lines – it is because they think they are in control of the people and the process.

The training manager at a city bank that is moving to the ‘Docklands’ development told me how it should be possible for many of the staff to work from home as required: the technology of PCs, faxes and phone lines is available; all the staff are closely managed in terms of their agreed objectives at appraisal interviews; and, with the dramatic reductions of staff in city institutions, staff no longer have the luxury of idle moments – so they are unlikely to be skiving! The block to working from home was the attitude of the senior managers – they feared letting people out of their sight. Would they be able to maintain their power in this kind of organisation?

The Human Relations Approach

The human relations approach developed in the late 1920s in the United States. Due to the depression, the human element in production was starting to be seen as important. The banks were throwing people off

their land and the industrial employers were making people redundant. So this approach was based more on human behaviour than on mechanical ability and people started to think of organisations as human cooperative systems.

The theoretical base of the approach came from 'The Hawthorne Studies' of Elton Mayo, a psychologist (see Roethlisberger and Dickson, 1939). Mayo and his team conducted a series of studies at the Hawthorne works of the Western Electric Company in Chicago between 1927 and 1939. An earlier experiment conducted by the Hawthorne company was based on scientific management principles and was intended to ascertain the relationship between productivity and illumination. The company wanted to find the level of lighting that was optimal to productivity. The researchers found that productivity increased in the sample group regardless of the level of light. They also found that production increased in the control group where no changes were being made. The findings were that as the illumination was changed – for brighter or dimmer, output rose and fell without any direct correlation to the intensity of the illumination.

The experimenters concluded that additional factors must be present so they called in Elton Mayo, a psychologist at Harvard. Mayo, and his researchers set up two groups, one a control group and the other for testing. Both groups were made up of young women. The analysis of their research showed no significant differences in efficiency between the two groups. A further experiment recorded output rising by 25 per cent when the working arrangements had not been changed. These experiments led the researchers to propose a psychological explanation.

Their conclusion, which is known as 'The Hawthorne Effect', is that the differences were in the workers being observed. The investigators had given them a new sense of their own worth, or value, by observing them. The very act of observing and taking an interest in them caused a change in their behaviour – and greater productivity.

The researchers concluded that the increases in output were internal to the girls themselves, to the attitude they now held about the work and their group. The experiment had cocooned the girls into a world of their own. The experimenters, by asking the young women for their help and cooperation in explaining the output increases, had given them a new sense of their own self-worth. Synergy had been created.

Other conclusions from this and other experiments in the studies, were as follows.