

part one

introducing your companion



This SAGE Course Companion offers you an insider's guide into how to make the most of your studies and grasp the key concepts covered in your human resource management (HRM) course. It will provide you with essential help to enhance your understanding of HRM and develop your thinking skills in line with course requirements. It will also help you with revision for your exams, and in preparing and writing assignments.

This book should be used as a supplement to your HRM textbook and lecture notes. You may want to glance through it quickly, reading it in parallel with your course syllabus, noting where each topic is covered in both. Ideally, you should buy this book at the beginning of your HRM course – it will provide you with a quick explanation of any topics you are having trouble with, and of course the advice on getting the most from your course will not be much help if you have already finished!

It isn't intended to replace your textbooks or lectures – it is intended to save you time when you are revising for your exams or preparing coursework. Note that revision implies that you are refreshing your memory and focussing your understanding of previously studied material in preparation for an assignment and/or exam!

This Companion will help you to anticipate exam questions, and gives guidance on what your examiners will be looking for. It should be seen as a framework within which to organise the subject matter, and to extract the most important points from your textbooks, lecture notes, and other learning materials from your HRM course.

This book should direct you to the key issues in the HRM field. Whichever textbook you are using, the basics are the basics and we have given some guidance on where topics are covered in specific books. However, you should read the Companion in parallel with your textbook to identify where specific topics are covered in it because some

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topics appear in more than one location in a textbook. For example, performance appraisal has relevance to reward management, training and career development and might be covered in each of those chapters in a textbook.

There is also a study and revision skills guide in Part Three which will help you to learn more efficiently. Learning is best accomplished by studying a topic from several different angles – which is why you are strongly encouraged to attend lectures and tutorials; read the textbook; and read around the subject in general. This book will help you to bring together these different sources.

How to use this book

Ideally, you should have bought this book before your course starts, so that you can get a quick overview of each topic before you go into the lecture – but if you didn't do this, all is not lost. The Companion will still be equally helpful as a revision guide, and as a way of directing you to the key themes and topics in HRM.

This first part introduces your Companion and also provides some insight on how to think like an HRM practitioner; it will help you to get into the mindset of the subject and think about it critically. As a bonus, it also means learning how to think like your examiner! Examiners want to see that you can handle the basic concepts of the subject appropriately; if you need a quick overview of the background to HRM, this is the section you will find most useful.

Part Two goes into the curriculum in more detail, taking each topic and providing you with the key themes and debates. Again, this does not substitute for the deeper coverage in your lectures and textbook, but it does provide a 'primer' to use before lectures or as subsequent revision guide – or, of course, both. Each section in this part contains the following features:

- Material presented in summary form and tips on handling the information in assessed work that also serve as reminders of key issues. These will help you to anticipate assessment questions and to remember the main points when answering them.
- 'Think about it?' boxes. These serve several purposes, for example: putting the theory into a 'real-world' context; asking you to undertake further research or reading; or prompting you to think about and draw reasoned conclusions about a particular issue. All of these can be used to strengthen your understanding of a topic and used in exams and/or coursework to elaborate and

deepen the points you make. This reflects the type of thinking that moves you from a bare pass level of answer towards a 2:1 or a First!

- Input from key thinkers in the HRM field. These will be useful to quote in exams, as well as providing you with the main influences in the development of HRM.
- Sample exam and assignment questions with outline answers. These should help you be better prepared for the actual questions, even though they will (of course) be different.
- Textbook guides. These will direct you to the main chapters from major textbooks that build on what has been covered in each section in Part 2 of your Companion.

Part 3 of this Companion is a study guide which will help you in getting more from your lectures, remembering more when you are sitting exams, and with writing essays.

The final section of this Companion is a handy compendium of useful information, including a glossary, bibliography, list of useful websites and a general index of key terms.

Thinking like a well-informed HRM student

HRM is a relatively young discipline, and it is important to note that there is still considerable disagreement and debate among academics and practitioners about what HRM is and what it is not.

The difficulty in seeking to define HRM arises because the term 'human resource management' is used in two different ways. Firstly it can refer to the department within an organisation that has the responsibility for policy and practice in relation to 'people management' within the business. The primary activities embraced within such a department would typically be those covered by most HRM textbooks, including this Course Companion. As such it reflects a discrete subset of the management activities within the organisation and can be differentiated from the marketing, finance, production, design and engineering departments. Used in the second way, HRM seeks to reflect a particular approach to the management of people as distinct from the earlier approach adopted under the umbrella term 'personnel management'. Because the practices associated with the organisational need to manage people are subject to constant adaptation as a consequence of fashion, legislative, social, educational, organisational, economic and **labour market** changes it has been argued that personnel management had become outdated and that the philosophy, focus and approach to people

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management offered by HRM more effectively met the needs of modern organisations.

It is useful to reflect on the origins of HRM in order to better understand it and the current debate about its definition. The management of people has existed for many thousands of years in one form or another. Consider for example the Roman Empire and the need to 'run it', with all that this implies. The military, political and trading activities all needed people to run them and, while much of the labour was slavery based, people still needed to be directed, controlled and organised in order to meet the needs of 'empire'. In modern organisations staff must be recruited, persuaded to stay, trained, motivated, paid, directed, and so on – all within the cultural and legal conventions of the time and location. In that sense HRM simply reflects the latest in a long line of people-management approaches. The major difference today compared with the past is that people management has become a discrete and specialised discipline within management as opposed to being part of every manager's job. To some extent things have turned full circle in that it is now increasingly recognised that the management of people is a major line management responsibility and that the function of HR is to facilitate that responsibility, not to subvert it by taking responsibility away from the line manager.

Modern HRM began to emerge in the nineteenth century, based on the work of social reformers such as Robert Owen. The Industrial Revolution had fuelled the growth in factories and large urban development and as a result had changed the way that work was organised. Working and living conditions were poor and this led to demands for fundamental social reform. This pressure for change continued into the early years of the twentieth century. Torrington et al. (2005) identify five phases of personnel and HR management over that period. They are:

1 *Social justice.* Covering the period just described, this phase saw the beginnings of personnel management in the search to reduce the exploitation of workers and to be able to offer welfare services. It was the influence of major business owners such as Rowntree and Cadbury who, based on their Quaker beliefs, encouraged the development of a caring employer approach during this period.

2 *Humane bureaucracy.* This phase saw the development of a greater involvement in a range of people management activities for the fledgling personnel specialists. In the UK, for example, during the First World War vast numbers of men were taken away from their usual work and conscripted into the armed forces. They were largely replaced by women who undertook those roles for the first time. Staffing and training issues came to the fore and of course, given the

nature of war, welfare retained its significance. Following this great upheaval the **human relations movement** emerged (which emphasised social relations in the workplace) as a counter trend to the previous scientific management emphasis.

Think about it?

What welfare and other people management issues might have become significant during the First and Second World Wars? Why?

3 *Negotiated consent.* Following the Second World War (the late 1940s onwards) labour became a scarce commodity due to relatively high employment levels. This contributed to a growth in the membership and bargaining power of the trade unions. As a result managers needed to find ways of managing the conflict and working within a collective bargaining framework. The need for personnel officers to work in these areas was identified and encouraged by the governments of the time. Government assistance with advice and conflict resolution was provided through a body that was eventually to become the Advisory, Conciliation and Arbitration Service (**ACAS**).

4 *Organisation.* By the late 1960s personnel specialists began to take responsibility for developing training and career planning activities within organisations in addition to the above responsibilities. This period saw the emergence of a management orientation (in addition to a worker focus) to the work of personnel practitioners.

5 *Human resource management.* This emerged during the late 1980s. Given the previous discussion about the difficulty in defining HRM it is not surprising that there exists a range of perspectives on the differences between HRM and personnel management. It has been argued by some that personnel management reflected a management function that sought to represent the management to the workers and the workers to management. On the other hand HRM has been described as the management discipline that sought to ensure the **recruitment**, training, **motivation** and management of employees in a way that maximised their utility to management. In that sense totally management focussed and supportive.

If you take nothing else away from this discussion be aware that many social, cultural, organisational and legal factors have changed over the years and that personnel management has evolved into the present day HRM within that changing environment.

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The above discussion refers to the evolution of HRM over the past 150 years or so. In academic terms the question of what differentiates personnel management and HRM is comprehensively addressed by Legge (2005). Professor Legge identifies four types of personnel management model, including:

- 1 *Normative models.* Models that broadly define it as, 'the optimum utilisation of human resources in pursuit of organisational goals.'
- 2 *Descriptive-functional models.* Models that broadly define it as the regulation of employment relationships.
- 3 *Critical-evaluative models.* Models that broadly define it as being 'concerned with assisting those who run work organisations to meet their purposes through the obtaining of the work efforts of human beings, the exploitation of those efforts and the dispensing with of those efforts when they are no longer required. Concern may be shown with human welfare, justice or satisfaction but only insofar as this is necessary for controlling interests to be met and, then, always at least cost.' based on Watson (1986).
- 4 *Descriptive-behavioural models.* Models that seek to describe what it is that personnel specialists actually do in the course of their work.

You may well be asked to compare and contrast the differences between personnel management and HRM. Remember that no single view is totally correct – you are expected to evaluate them all in reaching a reasoned conclusion!

Legge then develops a critical discussion on what HRM might be and how it might differ from personnel management, in the process drawing distinctions between definitions created in the USA and those from British academics (2005: 102–5). The main distinction offered is grounded in the view that HRM is intended to be more closely and tightly integrated with business strategy and **objectives**, offering a means through which the management of an organisation can more effectively 'make use' of and ensure the maximum contribution from the labour resource. Legge goes on to recognise that there are variations on this simplistic differentiation through the introduction of a 'hard' and a 'soft' view of what HRM is about. The hard version reflects the view of HRM already outlined; effectively, an asset to be manipulated by management in pursuit of operational objectives and not dissimilar in

practice to any other resource. The soft version of it regards the status of employees as 'valued assets, a source of competitive advantage through their commitment, adaptability and high quality (of skills, performance etc).' (2005: 105). In essence it regards the human resource as a less passive, more responsive and interacting resource than the approach adopted by the hard view of HRM.

Storey (1992) creates a second variable to the 'hard-soft' differentiation of HRM approaches. He adds a 'strong-weak' dimension, with strong representing what could be described as the adoption of HRM as a distinct approach to labour management; and weak representing the adoption of HRM as no more than a replacement term for personnel management practice. The following factors are impacted on the 'reformulation' of personnel management into HRM during the 1980s:

- Market changes: a marked increase in globalisation of markets and the intensification of competition. This, and some of the other changes identified below, also had a major impact on the ability of the **trade unions** to effectively represent employees and prevent or limit management intentions with regard to downsizing or relocating jobs to areas of cheaper labour.
- Technological changes: the growth and development in IT-based manufacturing and communication technologies.
- Economic changes: there was an economic downturn in the 1980s which led to the loss of skilled jobs in traditional industries and the creation of new jobs (usually lower paid and lower skilled) in new industries.
- The Japanese effect: the rapid growth of the so-called 'Japanese miracle' resulted in a focus on the associated labour management practices. Many attempts were made to 'westernise' aspects of Japanese management practice, including their approach to people management.
- Political changes: there were political changes as a result of the Thatcher and Regan eras in the UK and USA. Both governments moved to the political right with the associated political, business, enterprise, free-trade, individualism and economic effects that resulted – all of which had an impact on how people related to work and how they were managed.

Although HRM is often thought of as a discrete management discipline, it subdivides into a number of very different specialisms. Each has some degree of commonality but there is also a high degree of difference between them. There are two ways in which the work of HR specialists differs. First, it differs in the level of the postholder; for example, there are trainee, generalist, specialist, senior specialist, manager and director levels of job within the function. Secondly, there are the various sub-disciplines within the HRM profession. Remember that although there is a degree of commonality between the different disciplines within

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HRM, there will inevitably also be conflicting points of view and perspectives. For example, a reward specialist might recommend the introduction of **performance management** linked directly to the salary review of each employee as the best way to maximise performance; the **employee relations** and **employee development** specialists might argue very strongly that it would be counterproductive. They may argue that employee morale might be eroded by such a scheme; that performance is difficult to define for many jobs; that achieving consistency in performance evaluation across managers is difficult (if not impossible); and that higher levels of performance and commitment can be achieved through other HR initiatives such as improved **work-life balance** and development programmes. There is no one best theory or model for any HR activity, each option has a mixture of positive and negative benefits and people from a range of disciplines within HRM who will support (sometimes fiercely) each point of view. Thinking like an HR practitioner requires an understanding of the context within which HR must operate, and being able to understand the relative arguments for and against the variations in HR practice available.

To summarise the original purpose of this section – how can you think like an HR practitioner? Here are some suggestions:

- Understand the evolution of people management practice.
- Understand what HRM means to you.
- Understand what HRM means to your employing organisation – or if you are a full-time student without an employer, what might it mean to a company that you have worked for in a part-time or vacation capacity, or to one that you might like to work for in the future. Also, what does it mean to your lecturer?
- Understand what HRM might mean to colleagues and employees (if you are employed) or fellow students if you are a student.
- Understand that there are many different views on what HRM is about and that there is no single view that would be universally accepted by all **stakeholders** or academics.
- Understand the sub-disciplines within HRM and how they can contribute to the effective management of people.
- Adopt a ‘critical’ perspective on all aspects of HRM theory and practice. There is no perfect model, theory or understanding of human behaviour and so every idea that you encounter can be criticised – get used to uncertainty and regard it as a strength in understanding how to effectively manage people at work.
- Monitor the news media, professional and academic literature and magazines – the models, theories, case studies, examples and ideas contained in them can be used as a means of strengthening your understanding of HRM.

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- Try to speak to HR practitioners in order to get their views and experiences in relation to HRM theory and practice.
- Similarly try to speak to employees and managers (perhaps among family and friends) who work in organisations where they have an HRM department to seek out their views about it.
- Think about how you would deal with the people management issues that you come across in the press, from people that you talk to, case studies and professional and academic literature.
- Participate in tutorial and other discussions about HR topics and issues with fellow students and lecturers.

Taking it FURTHER

You may be asked to critique theory (other words used that carry a similar connotation include critically evaluate, compare, contrast, justify and discuss) and even if you are not it is no bad thing to do so anyway. At undergraduate level, you are not required to show criticality in great depth, but you should reflect on the relative strengths and weaknesses of particular ideas or theories and also critically evaluate competing theories or models. To be able to do so will attract much higher marks than simply describing what is already known about the topic in question. Describing ideas that already exist does not demonstrate the intellectual development that is the fundamental purpose of an undergraduate degree. If you are studying at Masters level you will be required to offer a depth of critical evaluation of the ideas that you are working with so in order to produce work of Masters degree quality.

Criticality means that you have thought about the theories you are being presented with, not merely remembered them. If you disagree with a theory, and can argue the case well enough, it will be to your credit – as long as you really understood the theory in the first place! Throughout this guide there will be points at which the theory will be critiqued: obviously you will form your own ideas, and you should not be afraid to use them, but the ‘Think about it’ boxes are intended to begin to develop your ability to critique theory and practice in relation to HRM.

