

The Strategic Managing of Human Resources

John Leopold. Lynette Harris & Tony Watson



ontents

| | |
|--|--------|
| <i>List of figures</i> | xv |
| <i>List of tables</i> | xvi |
| <i>List of illustrations</i> | xvii |
| <i>List of case studies</i> | xv'tii |
| <i>List of activities</i> | xx |
| <i>Contributing authors</i> | xxii |
| <i>Acknowledgements</i> | xxvi |
| <i>Foreword by Kevan Scholes</i> | xxvii |
| <i>Preface by John Leopold, Lynette Harris and Tony Watson</i> | xxix |
| <i>Plan of the book</i> | xxxii |
| <i>Web links</i> | xxxiii |

PART I Managing strategic human resourcing in a complex and uncertain organisational, social and economic context

Chapter 1 Organisations, strategies and human resourcing Tony Watson

| | |
|---|----|
| Learning outcomes | 6 |
| Human resourcing from the Stone Age to the twenty-first century | 7 |
| The nature of human resources | 1 |
| Human resources in modern industrial capitalist societies | 9 |
| Human resources, people and work organisations | 11 |
| The impossibility of 'managing people' | 11 |
| Work organisations as negotiated orders | 14 |
| Managing organisations strategically | 15 |
| Strategies as patterns that emerge over time | 15 |
| Strategy-making in practice | 17 |
| Managing HR strategically | 21 |
| The nature of human resource strategies | 21 |
| Human resourcing as essentially strategic | 23 |
| HR strategy as mistress and servant of corporate strategy | 23 |
| Choices and circumstances in the shaping of HR strategies | 25 |

| | |
|---|----|
| 'HRM best practices' vs. 'HR practices appropriate to organisational circumstances' | 25 |
| Choices and contingencies in HR strategy-making | 27 |
| High commitment and low commitment HR strategies in practice | 30 |
| Summary | 32 |
| Discussion questions | 33 |
| Further reading | 33 |

Chapter 2 Managing uncertainty or managing uncertainly?

| | |
|----------------------------------|----|
| Colin Bryson and Luchien Karsten | 34 |
|----------------------------------|----|

| | |
|---|----|
| Learning outcomes | 34 |
| Introduction | 34 |
| Conceptualising flexibility | 36 |
| Factors promoting a different approach in human resourcing | 40 |
| A working definition of flexible employment and managing uncertainty | 43 |
| Functional flexibility - multi-skilling | 46 |
| Facilitating factors promoting functional flexibility | 48 |
| Barriers against functional flexibility (from Clark, 1993) | 48 |
| Advantages and disadvantages of functional flexibility | 48 |
| Overview | 48 |
| Numerical flexibility - fixed-term contracts | 49 |
| Facilitating factors promoting use of fixed-term contracts | 50 |
| Barriers against use of fixed-term contracts | 50 |
| Advantages and disadvantages of fixed-term contracts | 51 |
| Overview | 51 |
| Numerical flexibility - redundancy | 51 |
| Facilitating factors promoting the use of redundancy | 52 |
| Barriers against the use of redundancy | 52 |
| Advantages and disadvantages of redundancy | 52 |
| Overview | 52 |
| Temporal flexibility - part-time/variable time | 53 |
| Facilitating factors promoting the use of part-time/variable time working | 54 |
| Barriers against the use of part-time/variable working | 55 |
| Advantages and disadvantages of part-time/variable working | 55 |
| Overview | 55 |
| Temporal flexibility - overtime | 55 |
| Facilitating factors promoting the use of overtime | 56 |
| Barriers against the use of overtime | 56 |
| Advantages and disadvantages of overtime | 56 |
| Overview | 57 |
| Implications and outcomes of different approaches to managing uncertainty | 58 |
| Conclusion | 62 |
| Summary | 63 |

| | |
|----------------------|----|
| Discussion questions | 64 |
| Further reading | 64 |

Chapter 3 Employment law and human resourcing strategies

| | |
|---|----|
| Lynette Harris | 65 |
| Learning outcomes | 65 |
| Law and employment strategies | 65 |
| Why regulate? | 66 |
| Regulation and approaches to human resourcing | 67 |
| The changing legal framework | 69 |
| Minimal intervention | 71 |
| The era of the social contract | 72 |
| The market rules | 72 |
| New rights and the impact of the EU | 73 |
| A more litigious workforce? | 75 |
| Organisational responses | 76 |
| Internal expertise | 79 |
| Increasing line management's responsibilities | 80 |
| Increased proceduralisation | 81 |
| Developing line management capability | 83 |
| Regulation and the employment relationship | 84 |
| Conclusion | 85 |
| Summary | 86 |
| Discussion questions | 87 |
| Further reading | 87 |

Chapter 4 Ethics and strategic human resourcing

| | |
|---|-----|
| Diannah Lowry | 88 |
| Learning outcomes | 88 |
| Introduction | 88 |
| Ethical issues associated with strategic human resourcing | 92 |
| Ethics and performance management | 92 |
| Ethics and reward | 93 |
| Ethics and quality | 93 |
| Ethics and long working hours | 94 |
| Ethics and 'flexible' labour | 94 |
| Ethics and downsizing | 95 |
| The HR manager and ethics | 96 |
| Ethical traditions | 99 |
| Normative ethical theories | 100 |
| Traditional normative ethical frameworks | 100 |
| Non-consequentialist theories | 100 |
| Duty-based ethics | 100 |

| | |
|--|-----|
| justice-based ethics | 101 |
| Consequentialist theories | 102 |
| Egoism | 102 |
| Utilitarianism | 103 |
| Critique of traditional ethical theories | 104 |
| Contemporary ethical theories | 105 |
| Ethics of virtue | 105 |
| Discourse ethics | 106 |
| Ethics of care | 106 |
| Descriptive ethical theory | 107 |
| Moral development, moral awareness and ethical decision-making | 107 |
| Summary | 109 |
| Discussion questions | 110 |
| Further reading | 110 |

PART II Human resourcing policies in practice

| | |
|--|------------|
| Chapter 5 From equal opportunities to diversity management | 116 |
| Carley Foster and Lynette Harris | |
| Learning outcomes | 116 |
| Introduction | 116 |
| From equal opportunities to managing diversity | 117 |
| What is managing diversity? | 119 |
| The business case for diversity | 121 |
| Sameness or difference to achieve equality? | 124 |
| Anti-discrimination legislation and approaches to workplace equality | 126 |
| Implementing equality and diversity | 129 |
| The impact of regulation | 130 |
| Managerial capability | 132 |
| HR policies and procedures | 133 |
| Organisational factors | 134 |
| Future challenges | 136 |
| Conclusion | 137 |
| Summary | 138 |
| Discussion questions | 138 |
| Further reading | 139 |
| Chapter 6 Assessment, selection and evaluation | 140 |
| Sue Newell | |
| Learning outcomes | 140 |
| Introduction | 140 |
| Two perspectives on selection | 141 |

| | |
|---|------------|
| The traditional, systematic approach to selection | 142 |
| The processual approach to selection | 144 |
| Selection and learning | 146 |
| Experience and impression management | 148 |
| Reflection and attribution theory | 149 |
| Generalisation and personal construct theory | 151 |
| Experimentation and validity | 156 |
| A critical exploration of 'traditional' practice | 162 |
| Defining the job and the ideal candidate | 162 |
| Measuring candidates | 164 |
| Application forms and biodata | 164 |
| Psychometric measures | 166 |
| Ability tests | 166 |
| Personality questionnaires | 167 |
| Performance tests | 169 |
| Group selection methods | 169 |
| References | 170 |
| Interviews | 170 |
| Assessment centres | 172 |
| Selection decisions | 173 |
| 'Best practice' recruitment and selection | 174 |
| Conclusion | 175 |
| Summary | 175 |
| Discussion questions | 176 |
| Further reading | 177 |

Chapter 7 Performance management and performing management

Colin Fisher

178

| | |
|--|-----|
| Learning outcomes | 178 |
| Introduction | 178 |
| Performance management as managerial folklore | 179 |
| The uses and abuses of performance management | 182 |
| Clarifying and publishing objectives | 184 |
| Performance measurement | 186 |
| Identifying appropriate measures | 186 |
| The complexities of performance measurement | 187 |
| The balanced scorecard and a stakeholder approach to performance measurement | 189 |
| Approaches to performance measurement | 190 |
| Target-setting | 191 |
| Targets and motivation | 192 |
| The skills of target-setting | 192 |
| Target-setting and management control | 194 |

| | |
|---|------------|
| Competency frameworks | 195 |
| 360° appraisal | 196 |
| Personal development plans | 198 |
| Managing problem staff | 200 |
| Staff appraisal | 200 |
| Conclusion - does performance management work? | 207 |
| Summary | 209 |
| Discussion questions | 210 |
| Further reading | 210 |
| Chapter 8 Reward strategies and paying for contribution | |
| Lynette Harris | 211 |
| Learning outcomes | 211 |
| A more strategic approach to paying for contribution? | 211 |
| What is performance-related pay? | 216 |
| Individual performance-related pay | 216 |
| Team-based performance-related pay | 217 |
| Competence/skills-related pay | 217 |
| A shift to contribution-related pay? | 217 |
| Motivational principles and PRP | 218 |
| Performance pay and the rewards agenda | 219 |
| Problems of application | 221 |
| Conflicts between development and measurement | 224 |
| Issues of felt fairness | 225 |
| Whom does it motivate? | 228 |
| Changing the psychological contract | 229 |
| PRP and line management | 231 |
| New challenges | 233 |
| Conclusions - does performance pay improve work performance? | 235 |
| Summary | 236 |
| Discussion questions | 237 |
| Further reading | 237 |
| Chapter 9 Parting company: the strategic responsibility of exit management | |
| David Walsh and David Bott | 238 |
| Learning outcomes | 238 |
| Introduction | 238 |
| Employee-initiated termination of employment | 243 |
| A high commitment approach to employee-initiated exits | 245 |
| Management-initiated termination of employment (dismissal) | 250 |
| Employee deficiency | 251 |
| A high commitment approach to discipline and capability dismissal | 252 |

| | |
|--|-----|
| Redundancy | 254 |
| A high commitment approach to redundancy dismissal | 255 |
| Conclusion | 264 |
| Summary | 265 |
| Discussion questions | 266 |
| Further reading | 266 |

Chapter 10 Human resourcing in international organisations

Dave Doughty and David Walsh

268

| | |
|---|-----|
| Learning outcomes | 268 |
| Introduction | 268 |
| From domestic to international human resourcing | 269 |
| Human resourcing in the domestic organisation | 271 |
| The single business organisation | 271 |
| The multi-unit business organisation | 272 |
| Human resourcing in the international organisation | 274 |
| National and international human resourcing | 276 |
| Globalisation and organisational approaches to international human resourcing | 280 |
| The structure of multinational companies | 282 |
| The dominant management orientation of multinational companies | 284 |
| Changing the mindset | 288 |
| Staffing for transnational companies | 290 |
| International relocation | 293 |
| The pre-departure phase | 294 |
| The expatriation phase | 295 |
| The repatriation phase | 296 |
| Host country employment - contingent factors | 297 |
| The analysis of local conditions | 298 |
| The employment relationship | 298 |
| Cultural factors | 302 |
| Determining host country policies and practices | 303 |
| Maintaining favourable employee relations | 304 |
| Cross-cultural comparisons - the work of Hofstede | 306 |
| The four dimensions of culture | 307 |
| Power distance | 307 |
| Uncertainty avoidance | 308 |
| Individualism | 308 |
| Masculinity | 308 |
| Using Hofstede's value survey model | 309 |
| Summary | 314 |
| Discussion questions | 316 |
| Further reading | 317 |

PART III Managing change and developing capability

| | | |
|-------------------|--|------------|
| Chapter 11 | Knowledge organisations, strategies and human resourcing | 323 |
| | Carole Tansley | |
| | Learning outcomes | 323 |
| | Can knowledge be 'managed'? | 324 |
| | The discourse of knowledge management | 326 |
| | The knowledge economy | 326 |
| | Knowledge work and knowledge workers | 327 |
| | The nature and processes of knowledge | 329 |
| | Personal or tacit knowledge | 331 |
| | Explicit knowledge | 332 |
| | The codification and storage of knowledge | 332 |
| | The tacit/explicit relationship | 333 |
| | Organisational knowledge | 334 |
| | What is organisational knowledge? | 335 |
| | Knowledge management and HR practice in organisations | 336 |
| | Knowledge management and technology | 339 |
| | HR information systems | 339 |
| | Integrating HRIS with an Enterprise Resource Planning system | 340 |
| | A relational perspective on knowledge | 344 |
| | Four innovation stages of an HR ERP project - a knowledge-based analysis | 345 |
| | Stage 1: Agenda formation | 345 |
| | Stage 2: Design | 345 |
| | Communities of practice | 346 |
| | Human resourcing features of HR communities of practice | 346 |
| | The politics of teamwork - team 'destroyers' | 347 |
| | Stage 3: Implementation | 348 |
| | Stage 4: Appropriation | 348 |
| | Legitimate peripheral participation | 349 |
| | Summary | 349 |
| | Discussion questions | 350 |
| | Further reading | 350 |
| | | |
| Chapter 12 | Managing processes of human resource development | |
| | Jan Myers and Susan Kirk | 351 |
| | Learning outcomes | 351 |
| | HRD in context | 351 |
| | HRD as a strategic intervention | 358 |
| | Tensions between control and development | 363 |
| | Approaches to development processes | 365 |
| | Managing learning opportunities | 370 |
| | Changing role of HR practitioners and managers | 376 |
| | Conclusion | 377 |

| | |
|----------------------|-----|
| Summary | 378 |
| Discussion questions | 379 |
| Further reading | 379 |

Chapter 13 Developing managers and managerial capacities

| | |
|--|------------|
| Jim Stewart | 380 |
| Learning outcomes | 380 |
| Introduction | 380 |
| An overview | 381 |
| The nature of managerial work | 382 |
| The nature of development | 383 |
| Management purposes - development and meanings | 384 |
| Discussion | 386 |
| Summary | 387 |
| Management development approaches and methods | 389 |
| Approaches to MD | 390 |
| Methods | 393 |
| Management development and HR strategy | 395 |
| Future developments in MD | 397 |
| Conclusion | 398 |
| Summary | 398 |
| Discussion questions | 399 |
| Further reading | 399 |

PART IV Managing employment and other human resourcing relationships

Chapter 14 Strategic choice in patterns of employment relationships

| | |
|--|------------|
| Tony Watson, John Leopold and Derek Watling | 406 |
| Learning outcomes | 406 |
| Introduction | 406 |
| The interplay of conflict and cooperation | 409 |
| Two levels of conflict and its variety of expressions | 412 |
| Traditional strategic human resourcing options in management-union relations | 414 |
| Patterns of change in union membership, collective bargaining and strike activity | 415 |
| A union-recognition strategic option | 419 |
| A substitution strategic option | 421 |
| A 'black hole' strategic option | 421 |
| 'Partnership' as an alternative strategic option for conducting the employment relationship? | 424 |
| Conclusion | 431 |
| Summary | 431 |

| | |
|--|------------|
| Discussion questions | 433 |
| Further reading | 433 |
| Chapter 15 Employee participation, involvement and communications | 434 |
| John Leopold | |
| Learning outcomes | 434 |
| Industrial democracy, employee participation and employee involvement | 434 |
| Waves or cycles? | 437 |
| Representative participation | 438 |
| Employee representation on health and safety | 440 |
| European comparators | 441 |
| European practice | 443 |
| Employee involvement | 444 |
| Downward communication | 444 |
| Upward problem-solving | 445 |
| Quality circles and total quality management | 446 |
| Task participation | 450 |
| The restructuring of jobs | 450 |
| Teamworking | 451 |
| Financial involvement | 451 |
| Impact of financial involvement | 453 |
| Conclusion | 455 |
| Summary | 459 |
| Discussion questions | 459 |
| Further reading | 460 |
| Chapter 16 Managing consulting and consultancy relationships | 461 |
| Diannah Lowry and Pam Stevens | |
| Learning outcomes | 461 |
| Introduction | 461 |
| The nature of exchange in the consultancy relationship | 462 |
| Strategic perspectives of consultancy | 463 |
| Structural perspectives of consultancy | 464 |
| Integration of the strategic and structural perspectives | 465 |
| Models of managing consulting and the consultancy relationship | 465 |
| Ethical issues in managing consulting and the consultancy relationship | 474 |
| Summary | 477 |
| Discussion questions | 478 |
| Further reading | 478 |
| Final thoughts | 479 |
| Bibliography | 480 |
| Index | 531 |