HUMAN RESOURCE MANAGEMENT

3E

STRATEGIC AND INTERNATIONAL PERSPECTIVES

Edited by

JONATHAN CRAWSHAW • PAWAN BUDHWAR • ANN DAVIS

online resources

HUMAN
RESOURCE
MANAGEMENT

Sara Miller McCune founded SAGE Publishing in 1965 to support the dissemination of usable knowledge and educate a global community. SAGE publishes more than 1000 journals and over 800 new books each year, spanning a wide range of subject areas. Our growing selection of library products includes archives, data, case studies and video. SAGE remains majority owned by our founder and after her lifetime will become owned by a charitable trust that secures the company's continued independence.

Los Angeles | London | New Delhi | Singapore | Washington DC | Melbourne

HUMAN RESOURCE MANAGEMENT

3E

STRATEGIC AND INTERNATIONAL PERSPECTIVES

Edited by

JONATHAN CRAWSHAW • PAWAN BUDHWAR • ANN DAVIS

SAGE

Los Angeles | London | New Delhi
Singapore | Washington DC | Melbourne

SAGE

Los Angeles | London | New Delhi
Singapore | Washington DC | Melbourne

SAGE Publications Ltd
1 Oliver's Yard
55 City Road
London EC1Y 1SP

SAGE Publications Inc.
2455 Teller Road
Thousand Oaks, California 91320

SAGE Publications India Pvt Ltd
B 1/I 1 Mohan Cooperative Industrial Area
Mathura Road
New Delhi 110 044

SAGE Publications Asia-Pacific Pte Ltd
3 Church Street
#10-04 Samsung Hub
Singapore 049483

Editor: Ruth Stitt
Assistant editor: Jessica Moran
Assistant editor, digital: Sunita Patel
Production editor: Sarah Cooke
Copyeditor: Gemma Marren
Proofreader: Audrey Scriven
Indexer: Silvia Benvenuto
Marketing manager: Abigail Sparks
Cover design: Jennifer Crisp
Typeset by: C&M Digitals (P) Ltd, Chennai, India
Printed in the UK

© Jonathan Crawshaw, Pawan Budhwar, Ann Davis 2020

First edition published 2014, reprinted twice 2015
Second edition published 2017, reprinted twice 2017, 2018, 2019
This third edition published 2020

Editorial arrangement © Jonathan R. Crawshaw, Pawan Budhwar and Ann Davis 2020
Chapter 1 © Jonathan R. Crawshaw, Jude Preston and Alastair Hatch 2020
Chapter 2 © Anastasia Katou, Pawan Budhwar, Karin Sanders and Hoa Do 2020
Chapter 3 © Achim Schmitt, Steffen Raub and Katty Marmenout 2020
Chapter 4 © Ashish Malik, Srikanth NR and Pawan Budhwar 2020
Chapter 5 © Carole Parkes, Rosalind H. Searle and Helen Borland 2020
Chapter 6 © Charmi Patel, Pawan Budhwar and Sin Mun Chang 2020
Chapter 7 © Judy Scully, Jonathan Crawshaw, Alexis Fullard, Michael Gregson, Ben Clegg and Paul Turner 2020
Chapter 8 © Daniel P. Hinton, Stephen A. Woods and Lara D. Zibarras 2020
Chapter 9 © Lilian Otaye-Ebede, Vincenza Priola and Elaine Yerby 2020
Chapter 10 © Margarita Nyfoudi and Helen Shipton 2020
Chapter 11 © Ann Davis and Vidu Badigannavar 2020
Chapter 12 © Arup Varma, Pawan Budhwar, Peter Norlander and Ying Shi 2020
Chapter 13 © Kathy Daniels 2020
Chapter 14 © Nicholas Theodorakopoulos and Safa Arslan 2020
Chapter 15 © Helen Shipton, Karin Sanders and Jennifer Surtees 2020

Apart from any fair dealing for the purposes of research or private study, or criticism or review, as permitted under the Copyright, Designs and Patents Act, 1988, this publication may be reproduced, stored or transmitted in any form, or by any means, only with the prior permission in writing of the publishers, or in the case of reprographic reproduction, in accordance with the terms of licences issued by the Copyright Licensing Agency. Enquiries concerning reproduction outside those terms should be sent to the publishers.

Library of Congress Control Number: 2019954922

British Library Cataloguing in Publication data

A catalogue record for this book is available from the British Library

ISBN 978-1-5264 9900-4
ISBN 978-1-5264-9901-1 (pbk)

At SAGE we take sustainability seriously. Most of our products are printed in the UK using responsibly sourced papers and boards. When we print overseas we ensure sustainable papers are used as measured by the PREPS grading system. We undertake an annual audit to monitor our sustainability.

Jonathan dedicates this book to Mum and Dad, who are
always in my thoughts.

Pawan dedicates this book to Laxmi and Gaurav for
their continuous unconditional love.

Ann dedicates this book to Steve for his love,
encouragement and tolerance.

CONTENTS

LIST OF FIGURES xiv

LIST OF TABLES xv

GUIDED TOUR xvi

ONLINE RESOURCES xx

NOTES ON THE EDITORS AND CONTRIBUTORS xxi

PREFACE xxviii

ACKNOWLEDGEMENTS xxxiii

PART ONE STRATEGIC ISSUES IN HRM

1 **Introduction: Context and Challenges for HRM** 4
Jonathan R. Crawshaw, Jude Preston and Alastair Hatch

2 **HRM and Firm Performance** 34
Anastasia Katou, Pawan Budhwar, Karin Sanders and Hoa Do

3 **Organisational Change and HRM** 62
Achim Schmitt, Steffen Raub and Katty Marmenout

4 **Digitisation, Artificial Intelligence (AI) and HRM** 88
Ashish Malik, Srikanth NR and Pawan Budhwar

5 **HRM and the Ethical Organisation** 112
Carole Parkes, Rosalind H. Searle and Helen Borland

6 **Globalism, Multinational Enterprises and HRM** 140
Charmi Patel, Pawan Budhwar and Sin Mun Chang

PART TWO HRM IN PRACTICE

7 **Workforce (Artificial) Intelligence Planning** 170
Judy Scully, Jonathan R. Crawshaw, Alexis Fullard, Michael Gregson, Ben Clegg and Paul Turner

8 **Recruitment and Selection** 198
Daniel P. Hinton, Stephen A. Woods and Lara D. Zibarras

9 Diversity in Organisations: HRM and International Practices 234
Lilian Otaye-Ebede, Vincenza Priola and Elaine Yerby

10 Learning and Development 266
Margarita Nyfoudi and Helen Shipton

11 Reward Strategies and Systems 290
Ann Davis and Vidu Badigannavar

12 Performance Management and Motivation 324
Arup Varma, Pawan Budhwar, Peter Norlander and Ying Shi

13 Workplace Relations and Regulations 350
Kathy Daniels

PART THREE HRM IN CONTEXT

14 HRM in Small and Medium Sized Enterprises (SMEs) 376
Nicholas Theodorakopoulos and Safa Arslan

15 HRM in the Not-for-Profit Sectors 400
Helen Shipton, Karin Sanders and Jennifer Surtees

GLOSSARY OF TERMS 427

REFERENCES 442

INDEX 509

DETAILED CONTENTS

LIST OF FIGURES xiv

LIST OF TABLES xv

GUIDED TOUR xvi

ONLINE RESOURCES xx
For Students
For Lecturers

NOTES ON THE EDITORS AND CONTRIBUTORS xxi

PREFACE xxviii
Structure of the Book
Pedagogical Features

ACKNOWLEDGEMENTS xxxiii

PART ONE STRATEGIC ISSUES IN HRM

1

INTRODUCTION: CONTEXT AND CHALLENGES FOR HRM

Jonathan R. Crawshaw, Jude Preston and Alastair Hatch

Introduction 5
What Is HRM? 5
HRM Roles and Responsibilities in Organisations 14
Organising the HR Function 18
Contemporary HR Challenges 24
Chapter Summary 30
Review Questions and Exercises 30
Explore Further 31

2

HRM AND FIRM PERFORMANCE

Anastasia Katou, Pawan Budhwar, Karin Sanders and Hoa Do

Introduction 35
Strategic Management 36
Strategic Human Resource Management 37
Modelling HRM and Firm Performance 43
Method Problems in Investigating the HRM and Firm Performance Relationship 51
Chapter Summary 57
Review Questions and Exercises 58
Explore Further 58

3

ORGANISATIONAL CHANGE AND HRM

Achim Schmitt, Steffen Raub and Katty Marmenout

Introduction 63
Content Versus Process of Change 64
Organisational Context and Change 65
Types of Change and Change Paths 69
The Change Process: Models and Tools 73
Behavioural Change 75
Culture Change 78

The Roles of HR in Managing and Delivering Change 80
Chapter Summary 85
Review Questions and Exercises 86
Explore Further 86

4

DIGITISATION, ARTIFICIAL INTELLIGENCE (AI) AND HRM

Ashish Malik, Srikanth NR and Pawan Budhwar

Introduction 89
Digitisation and HRM 92
Artificial Intelligence 99
Chapter Summary 109
Review Questions and Exercises 110
Explore Further 110

5

HRM AND THE ETHICAL ORGANISATION

Carole Parkes, Rosalind H. Searle and Helen Borland

Introduction 113
The Role of HRM: A Primer 114
What's in a Name? 115
Ethics in Business 116
Organisational Justice 119
Corporate Social Responsibility (CSR) 123
Sustainability 126
Strategies for Developing an Ethical Organisation 133
Chapter Summary 136
Review Questions and Exercises 137
Explore Further 137

6

GLOBALISM, MULTINATIONAL ENTERPRISES AND HRM

Charmi Patel, Pawan Budhwar and Sin Mun Chang

Introduction 141
Globalisation and MNEs 142
MNEs and HRM 146
Localisation versus Standardisation 148
Development of HRM Systems in MNEs 149
Approaches to HRM in MNEs 151
Key HR Challenges in Global and Emerging Markets 156
Chapter Summary 164
Review Questions and Exercises 164
Explore Further 164

PART TWO HRM IN PRACTICE

7

WORKFORCE (ARTIFICIAL) INTELLIGENCE PLANNING

Judy Scully, Jonathan R. Crawshaw, Alexis Fullard, Michael Gregson, Ben Clegg and Paul Turner

Introduction 171
Workforce Planning, Workforce Intelligence Planning and Strategic Workforce Planning 173
Unpacking the WP, WIP and SWP Definition Through SHRM 183
Employee Engagement and WP/WIP 186
Leadership Skills, Motivation and WP/WIP/SWP Implementation 187

External Intelligence and Evaluation Models 189
Chapter Summary 195
Review Questions and Exercises 195
Explore Further 196

8

RECRUITMENT AND SELECTION

Daniel P. Hinton, Stephen A. Woods
and Lara D. Zibarras

Introduction 199
Effective Recruitment and Selection: A Primer 199
Recruitment: Attracting People to the Job 202
Selection: Assessment and Selecting People for the Organisation 203
Strategic Approaches to Assessment 218
Applicant Perceptions of Different Selection Methods 221
Ethical and Legal Issues in Recruitment and Selection 224
The Emerging Use of Social Networking in Selection 226
The Selection Decision: Issues of Fit and Transition 228
Chapter Summary 231
Review Questions and Exercises 231
Explore Further 232

9

DIVERSITY IN ORGANISATIONS: HRM AND INTERNATIONAL PRACTICES

Lilian Otaye-Ebede, Vincenza Priola
and Elaine Yerby

Introduction 235
Legislative Underpinning 237
From Equal Opportunities to Managing Diversity 240
Evaluating the Business Case for Diversity Management 243
Diversity Perspectives and HRM Practices 245
Strategic HRM and Diversity Management 249
Global versus Multinational Diversity Management 252
Practising Equality in an International Context 255
The Future of International Diversity Management 257
Chapter Summary 261
Review Questions and Exercises 262
Explore Further 262

10

LEARNING AND DEVELOPMENT

Margarita Nyfoudi and Helen Shipton

Introduction 267
The Nature of Learning 268
Theoretical Perspectives on Learning 271
Formal and Informal Workplace Learning 274
Learning Effectiveness 276
The Systematic Training Cycle 278
Learning and Development Strategy 281
Future Challenges 283
Chapter Summary 287
Review Questions and Exercises 287
Explore Further 288

11

REWARD STRATEGIES AND SYSTEMS

Ann Davis and Vidu Badigannavar

Introduction 291
The Significance of Pay Policy to HRM 291
The Purposes of Reward 293
Fairness in Reward 298

Strategic and Total Reward 299
What Do We Pay For? 305
Recent and Current Issues for Reward 315
Chapter Summary 320
Review Questions and Exercises 321
Explore Further 321

12

PERFORMANCE MANAGEMENT AND MOTIVATION

Arup Varma, Pawan Budhwar, Peter Norlander and Ying Shi

Introduction 325
Performance Management: Purposes and Processes 327
Performance Management and Employee Motivation 338
The Supervisor–Subordinate Relationship 343
Performance Management Systems for Global Organisations 344
Chapter Summary 347
Review Questions and Exercises 347
Explore Further 348

13

WORKPLACE RELATIONS AND REGULATIONS

Kathy Daniels

Introduction 351
What Is the Employment Relationship? 351
The Growth of Legislation 354
The Impact of Growing Legislation 356
Legislation and the Balance of Power 357
The Role of the Trade Unions in Regulating the Employment Relationship 358
Bargaining and Negotiation 360
Participation and Involvement 362
The Employment Tribunal 366
Chapter Summary 370
Key Statutes 370
Review Questions and Exercises 370
Explore Further 371

PART THREE
HRM IN CONTEXT

14

HRM IN SMALL AND MEDIUM SIZED ENTERPRISES (SMES)

Nicholas Theodorakopoulos and Safa Arslan

Introduction 377
Significance of the SME Sector 378
The Nature of HRM in SMEs 380
The HR Function in SMEs 385
Other Challenges in Managing People in SMEs 392
Chapter Summary 397
Review Questions and Exercises 397
Explore Further 398

15

HRM IN THE NOT-FOR-PROFIT SECTORS

Helen Shipton, Karin Sanders and Jennifer Surtees

Introduction 401
Defining the Private, Public and Not-for-Profit Sectors 401
Private and Not-for-Profit Sectors: Similarities and Differences 402
HRM in the Not-for-Profit and Private Sectors 404

Challenges Facing Different Not-for-Profit Sector Organisations 405
Negotiating the Political and Economic Environment 411
Achieving Strategic Integration 414
Developing a Service Orientation 416
Meeting Employee Expectations 419
Conclusion 420
Chapter Summary 423
Review Questions and Exercises 424
Explore Further 425

GLOSSARY OF TERMS 427

REFERENCES 442

INDEX 509

LIST OF FIGURES

1.1 Common HR activities 6

1.2 Key differences between personnel management and HRM 11

1.3 Hard and soft HRM 12

1.4 Storey's (1992) strategic/tactical HR roles 15

1.5 Ulrich and Brockbank's (2005) HR leader model 16

2.1 Best companies to work for: statistics 41

2.2 The general causal model of the HRM–performance relationship 45

3.1 Kurt Lewin's force field analysis (adapted from Lewin, 1951) 67

3.2 Strebel's change paths (Strebel, 1994) 70

3.3 Proactive and reactive change paths 72

3.4 Three-step change model based on Kurt Lewin (Berger et al., 2008) 73

3.5 Levels of culture 79

4.1 From data to wisdom 91

4.2 A generalised model of evolution and technological changes in HRM 92

5.1 United Nations sustainable development goals 114

7.1 Birmingham City Council's five-step change model 178

8.1 A model of the recruitment and selection process (adapted from Woods & West, 2014) 200

8.2 Assessment centre matrix for selection of underwriters 218

11.1 Hourly compensation costs in manufacturing (US dollars) 2016 301

11.2 Comparison of analytical and non-analytical approaches to job evaluation 308

12.1 Summary of Pritchard and DiazGranados's (2008) performance management and motivation model 338

LIST OF TABLES

1.1 Potential benefits and challenges of outsourcing HR (CIPD, 2011) 22

5.1 Ethical theory: A practical approach 118

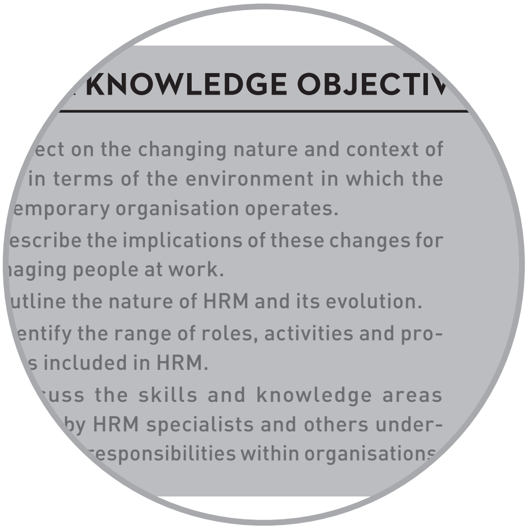
6.1 Advantages and disadvantages of employing PCNs, TCNs and HCNs 157

8.1 Summary of meta-analytic research on the criterion-related validity of selection methods 208

12.1 Common evaluation errors in performance appraisal 334

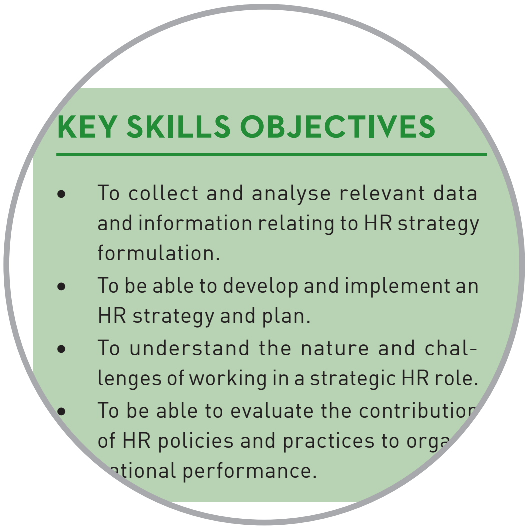
14.1 EC definition of SMEs (European Commission, 2014) 380

GUIDED TOUR



KNOWLEDGE OBJECTIV

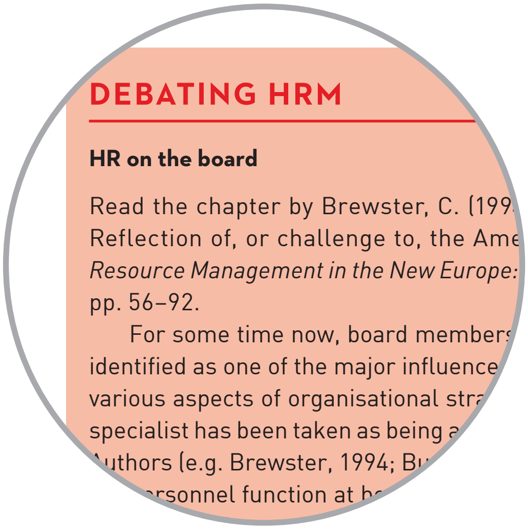
ect on the changing nature and context of
in terms of the environment in which the
emporary organisation operates.
escribe the implications of these changes for
aging people at work.
utline the nature of HRM and its evolution.
entify the range of roles, activities and pro-
s included in HRM.
uss the skills and knowledge areas
by HRM specialists and others under-
esponsibilities within organisations



KEY SKILLS OBJECTIVES

- To collect and analyse relevant data and information relating to HR strategy formulation.
- To be able to develop and implement an HR strategy and plan.
- To understand the nature and challenges of working in a strategic HR role.
- To be able to evaluate the contributior of HR policies and practices to orga
ational performance.

Knowledge and Skills Objectives highlight everything students should achieve by the end of the chapter.



DEBATING HRM

HR on the board

Read the chapter by Brewster, C. (199
Reflection of, or challenge to, the Ame
Resource Management in the New Europe:
pp. 56–92.

For some time now, board members
identified as one of the major influence
various aspects of organisational stra
specialist has been taken as being a
uthors (e.g. Brewster, 1994; Bu
rsonnel function at h

Debating HRM boxes present the key contemporary challenges and dilemmas faced by HR professionals.

ONLINE STUDY TOO

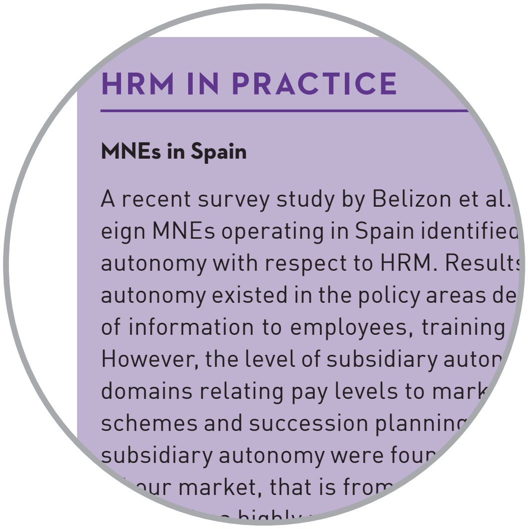
Video case study: Workforce plann

Enhance your understanding by watchin
companion website:
https://edge.sagepub.com/crawshaw3e

INTRODUCTION

The workforce and workplace
Organisations need specific
have markedly different
on their exp

Online Study Tools boxes direct you to handy resources on the website to help you study or read further at crucial points in the text.

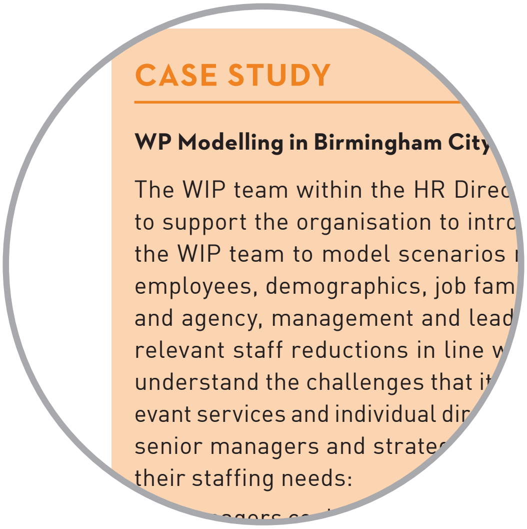


HRM IN PRACTICE

MNEs in Spain

A recent survey study by Belizon et al.
eign MNEs operating in Spain identified
autonomy with respect to HRM. Results
autonomy existed in the policy areas de
of information to employees, training
However, the level of subsidiary auton
domains relating pay levels to mark
schemes and succession planning
subsidiary autonomy were foun
our market, that is from

HRM in Practice boxes provide examples of unique or unusual real-world HRM examples.



CASE STUDY

WP Modelling in Birmingham City

The WIP team within the HR Direc
to support the organisation to intro
the WIP team to model scenarios
employees, demographics, job fam
and agency, management and lead
relevant staff reductions in line w
understand the challenges that it
evant services and individual dir
senior managers and strate
their staffing needs:

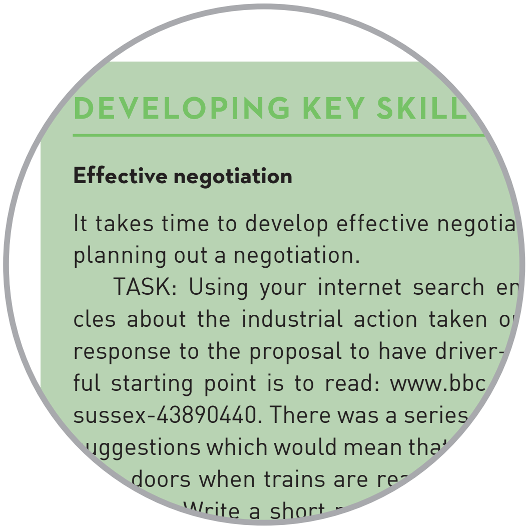
Mid-chapter and end of chapter **Case Studies** offer a link between theory and practical challenges in the international HR environment. Each case study ends with questions for students to explore.

GRADUATE INSIGHTS

Employee involvement

The organisation where I worked had ar
all employees to get together into grou
needed improving and to improve it. Wh
that this sounded like a brilliant idea. H
The first problem was that we were gi
often meant that on the day that we had
day's work. There was no extra pay or
started to resent attending the meeti
ing excuses not to attend meeting
The other big problem w
that I was

Graduate Insights present reflections from recent graduates and current students in work-based training.



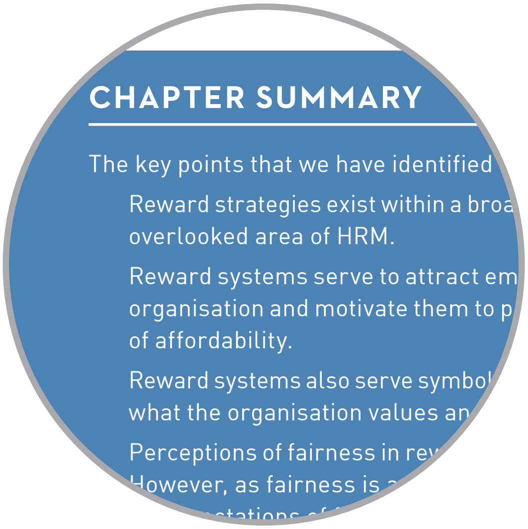
DEVELOPING KEY SKILL

Effective negotiation

It takes time to develop effective negotia
planning out a negotiation.
TASK: Using your internet search en
cles about the industrial action taken o
response to the proposal to have driver-
ful starting point is to read: www.bbc
sussex-43890440. There was a series
uggestions which would mean tha
doors when trains are re
Write a short

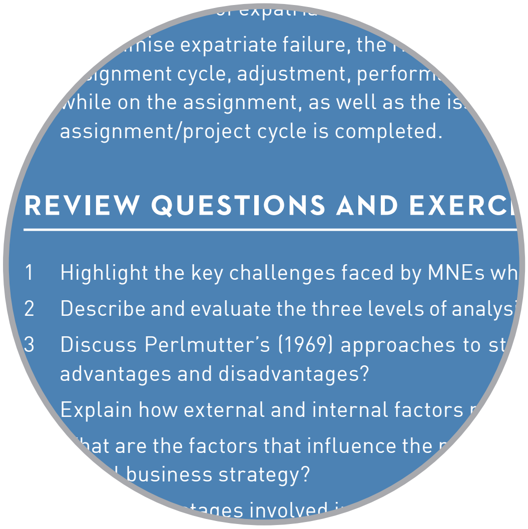
Developing Key Skills sections contain a number of tasks/activities aimed at developing the core HR, management and leadership skills expected of university graduates.

End of **Chapter Summaries** list the key points identified in the chapter.



CHAPTER SUMMARY

The key points that we have identified
Reward strategies exist within a broa
overlooked area of HRM.
Reward systems serve to attract em
organisation and motivate them to p
of affordability.
Reward systems also serve symbol
what the organisation values an
Perceptions of fairness in rev
However, as fairness is a



of expatria
mise expatriate failure, the r
signment cycle, adjustment, perform
while on the assignment, as well as the is
assignment/project cycle is completed.

REVIEW QUESTIONS AND EXERCI

1 Highlight the key challenges faced by MNEs wh
2 Describe and evaluate the three levels of analysi
3 Discuss Perlmutter's (1969) approaches to st
advantages and disadvantages?
Explain how external and internal factors r
hat are the factors that influence the r
l business strategy?
tages involved i

Review Questions and Exercises are provided at the end of each chapter for additional study.

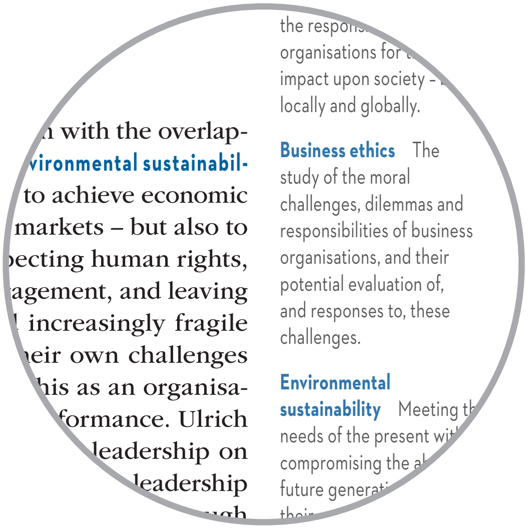
cuss three ethical
in HRM.

EXPLORE FURTHER

Akerkar, R. (2019) *Artificial Intelligence*
This is a simple and accessible book f
management.
Huang, M.H. and Rust, R.T. (2018) Ar
Research, 21(2): 155–172.
McKinsey Global Institute (2017) *Job*
Automation. McKinsey & Company
hese two articles offer an exc
services industri

Explore Further sections list key articles highlighted in the chapter and identify key source material for students to follow up.

Glossary terms are highlighted in the text to help you spot key words and terms. A short explanation is provided in the **Glossary of Terms** section at the end of the book.



n with the overlap-
vironmental sustainabil-
to achieve economic
markets – but also to
pecting human rights,
agement, and leaving
l increasing fragile
eir own challenges
his as an organisa-
formance. Ulrich
leadership on
leadership
ugh

the respons
organisations for t
impact upon society –
locally and globally.

Business ethics The study of the moral challenges, dilemmas and responsibilities of business organisations, and their potential evaluation of, and responses to, these challenges.

Environmental sustainability Meeting th
needs of the present wit
compromising the a
future generat
their

ONLINE RESOURCES

Head online to **https://study.sagepub.com/crawshaw3e** to access a range of online resources that will aid study and support teaching. *Human Resource Management: Strategic and International Perspectives* is accompanied by:

FOR LECTURERS

An Instructor's Manual providing tutor's notes and answers to chapter questions and exercises to support your teaching.

PowerPoint slides which can be adapted and edited to suit your own teaching needs.

A selection of **SAGE Business Cases** relating to the key topics and concepts of the book.

A **Resource Pack** to easily upload all the lecturer and student resources into your university's online learning platform (i.e. Blackboard or Moodle), and customise the content to suit your teaching needs.

FOR STUDENTS

Read **Free SAGE Journal Articles** related to each chapter, to extend your knowledge and support your assignments.

Test your understanding and prepare for exams with interactive **Multiple Choice Questions**.

Web and video links highlight real-world examples.

Gain insights from leading experts in the field with selected content from **SAGE Video**.

NOTES ON THE EDITORS AND CONTRIBUTORS

EDITORS

Jonathan R. Crawshaw is Senior Lecturer and Director of the Research Degrees Programmes in Aston Business School, Aston University. Jonathan's research and teaching interests include organisational justice, behavioural ethics and careers, and he has published in leading academic journals on these interests. He is currently Associate Editor of *Social Justice Research* and Editorial Board Member of the *Journal of Management*. He has also guest edited special issues for the *Journal of Business Ethics*, *Human Relations* and the *Thunderbird International Business Review*.

Pawan Budhwar is 50th Anniversary Professor of International HRM at Aston Business School. He is also the Associate Pro-Vice Chancellor International, the Joint Director of Aston India Centre for Applied Research at Aston University and the Co-Editor-in-Chief of *British Journal of Management*. He received his PhD from Manchester Business School. He is the co-founder and first President of the Indian Academy of Management, an affiliate of the AOM. Pawan has published over 120 articles in leading journals on topics related to people management, with a specific focus on India. He has also written and/or co-edited 21 books on HRM-related topics for different national and regional contexts. He is Fellow of the Academy of Social Sciences, the Higher Education Academy, the British Academy of Management and the Indian Academy of Management, and chartered member of the Chartered Institute of Personnel and Development (CIPD).

Ann Davis is Professor and Associate Dean for Academic Resourcing and Development at the University of Sydney Business School. Her background is in both work psychology and HRM, and she is a chartered member of the CIPD and Associate Fellow of the British Psychological Society. She has taught introductory and advanced courses in the field of people and work for nearly 30 years. She has published in a variety of peer-reviewed journals in HRM and psychology, her work focusing on the construction and enactment of the employment relationship, primarily from the employee perspective. She now spends most of her time applying and interpreting this understanding in the Australian higher education context.

CONTRIBUTORS

Safa Arslan received his PhD from Aston Business School, Aston University in 2017. His research interests are human resource management and firm performance, in particular within entrepreneurial and small and medium sized businesses. His PhD studies were funded by the Ministry of National Education, Republic of Turkey.

Vidu Badigannavar is Senior Lecturer in HRM at Aston Business School, holding an MSc and PhD from the London School of Economics. His research interests are in the areas of HRM and performance outcomes of labour–management partnerships and employment relations in emerging economies, and he has published in leading journals on these issues. Prior to joining academia, Vidu worked in industry as an HR manager and later as a policy research officer with international trade union federations in South and South East Asia. Vidu's research has been funded by the Nuffield Foundation, British Academy, Leverhulme Trust, Department for International Development, British Council and the Sir Ratan Tata Trust.

Helen Borland is Senior Lecturer in Business Sustainability at Aston Business School, Aston University. Helen's research and teaching interests are in the ecological sciences and philosophy of sustainability and how these may inform business and our life in the future. Helen has published in a variety of leading academic journals including the *Journal of Business Ethics* and *Business Strategy and the Environment*; as well as in the practitioner and popular press. She works on a number of consultancy and grant-awarded projects, including an EU Climate Change leadership project.

Sin Mun Chang is a Doctoral Researcher and Yeoh Tiong Lay (YTL) Fellow in the Department of Work and Organisation, Aston Business School, Aston University. He is managing and delivering a three-year research project to examine ethical leadership development and its impact in large multinational organisations and has presented at leading academic conferences on this research. His doctoral studies are funded by the YTL PhD Studentship.

Ben Clegg is a Professor of Operations Management at Aston Business School. He specialises in process and operations improvement using soft systems thinking and extended enterprise modelling. He teaches, trains and consults in this field.

Kathy Daniels is Reader, and Associate Pro-Vice Chancellor International (Recruitment and Global Pathways), at Aston University. Prior to joining academia, Kathy was a senior HR manager in the manufacturing sector. Kathy writes extensively, primarily covering all topics relating to employment law and employee relations. She carries out a range of roles for the CIPD, including contributing to HR Inform and the 'Law at Work' programme.

Hoa Do is Assistant Professor in Management at Musashi University, Tokyo, Japan. His research interests include high performance work practices, innovation-led HRM and the links between HRM and firm performance and he has published work in these areas – particularly in a Vietnamese business context. Hoa Do received his PhD from Aston University – focusing on the areas described above – in 2016.

Alexis Fullard is a freelance university researcher and teaching fellow. Alexis gained her PhD from Aston University in 2013, focusing on the discretionary role of line managers in inspiring employees' work engagement and innovative behaviour. Her PhD was funded by an ESRC CASE award.

Mike Gregson has held successful leadership and senior HR strategic roles in both the private and public sectors. In 2014, he moved to join a newly formed hybrid organisation created by a local authority, where he was the CEO. He completed his PhD at Aston University and visits Aston University and the University of Worcester lecturing on HRM to both undergraduates and postgraduate students.

Alastair Hatch is an HR professional with around 20 years' experience within the public and private sectors. While holding a variety of HR roles, he has tended to specialise in the area of reward and has held numerous senior roles in this functional discipline.

Daniel P. Hinton is a Lecturer in Psychology at the University of Wolverhampton, where he teaches on the MSc in Occupational Psychology programme. His research is focused on selection and organisational assessment, particularly the application of ability tests for selection. Through his consultancy, he has worked with a diverse range of clients both within the UK and internationally, developing psychometric tools and delivering HRM solutions to clients in both the public and private sectors.

Anastasia Katou is Associate Professor of Organisational Strategy in the Department of Business Administration at the University of Macedonia, Greece. She received her MBA from the University of Sunderland, UK, and her PhD from Cardiff University, UK. Her research interests include human resource management, organisational behaviour and business strategy, with a focus on organisational performance. Her work has been published in leading academic journals, including the *Journal of World Business* and *Human Resource Management*.

Ashish Malik is Associate Professor at the University of Newcastle, Australia. Ashish received his Master's in PM&IR from the Tata Institute of Social Sciences, India and a PhD in HRM & IR from Victoria University of Wellington, New Zealand. Ashish's research focuses on the role of HRM in achieving ambidexterity, innovation and high-performance outcomes in knowledge intensive services firms. His work has been published in top-tier journals, and he serves as Associate Editor in *Asian Business &Management* and *IIMK-SMR* and on the Editorial Board of *Journal of Knowledge Management* and *Journal of Business Research*.

Katty Marmenout is a Visiting Professor of Organisational Behaviour at Ecole hôtelière de Lausanne, Switzerland, holding a PhD in Management from McGill University. Building on her practical experience in management consulting, her main research interests lie in the impact of mergers and acquisitions on employees, women leaders, and equality and diversity in the workplace. Her work has been published in leading academic journals, including the *Journal of Applied Behavioral Science* and *Human Resource Management*.

Peter Norlander received his Bachelor of Science degree from the Cornell School of Industrial and Labor Relations, and his doctorate of management from the UCLA Anderson School of Management. He is an Assistant Professor at Loyola University, Chicago's Quinlan School of Business in the Institute of Human Resources and Employment Relations.

Srikanth NR is the Managing Director at Accenture's Advanced Technology Centers in India and is responsible for the overall talent strategy and transformation for over 120,000 professionals. Srikanth has over 22 years of industry experience with global organisations in Technology and Consulting. Srikanth has been instrumental in designing and executing strategic transformations for Accenture and a newly designed career architecture for Accenture Technology, which resulted in redeploying 80,000 people to new IT technologies, such as Blockchain, AI, Data, DevOps, Cloud and Security. A keen technology enthusiast, he is interested in human capital data, digital learning and insights and cognitive learning.

Margarita Nyfoudi is Assistant Professor of HRM and Organisational Behaviour at Birmingham Business School. Her research interests include workplace learning, managerial development, and adverse working conditions. Her work has been presented at national and international conferences – attracting honours and awards – and published in highly successful edited books and peer-reviewed journals. Working closely with industry, she has also developed a strong portfolio of effective workplace learning solutions. She is Chair of the HRM Special Interest Group of the British Academy of Management, a Fellow of the Higher Education Academy, and an Associate CIPD member.

Lilian Otaye-Ebede is Senior Lecturer in HRM with the University of Liverpool Management School, holding a PhD in Management from Aston University. Her research interests are in the areas of strategic HRM, employee relations, diversity management, international HRM and employee well-being. She has published academic papers in world leading journals and has extensively presented her research. She is currently an Editorial Board Member of the *International Journal of Human Resource Management*, *Journal of Organizational Effectiveness: People and Performance*, *African Journal of Management*, an Associate Member of the Higher Education Academy (AHEA) and an Academic Member of the CIPD.

Carole Parkes is Professor of Responsible Management and Global Issues, University of Winchester, UK, and previously Director of Social Responsibility and Sustainability at Aston University. Carole is Chair (UK & Ireland) of the UN Principles of Responsible Management Education (PRME) and International Advisory Committee member. Carole's research interests and publications are in CSR, ethics and HRM with a focus on the role of business in human rights and poverty and sustainability.

Charmi Patel is an Associate Professor in HRM within the Strategy and International Business Group at Henley Business School, University of Reading, UK. Her research interests include strategic and international human resource management, employee–organisation relationships, organisational justice, counterproductive workplace behaviours and occupational health within cross-cultural contexts (especially India). Findings from her research have been published in refereed international journals such as *Human Resource Management*, *Journal of World Business*, *Human Resource Management Review*, *International Journal of Human Resource Management* and *European Journal of International Management*.

Jude Preston has over 15 years' experience and knowledge of both strategic and operational levels of HRM and business management as well as leadership training, learning and development and change management. She has worked in various large blue chip organisations in a range of industries, from engineering and railways, to residential care and e-fulfilment, prior to transitioning to an academic career in 2011. She is a Teaching Fellow in the Department of Work and Organisation, Aston Business School, where she teaches on several undergraduate and postgraduate courses within her academic group. Jude also runs her own consultancy company, which specialises in providing learning and development services to the rail engineering industry.

Vincenza (Cinzia) Priola is a Senior Lecturer in Organisation Studies at the Open University in the UK. Her research interests focus mainly on work and social inclusion/exclusion, gender and sexuality in organisations, identities in the workplace, diversity and how the concepts of brand and branding are experienced within organisations. Her book, *Branded Lives: The Production and Consumption of Meaning at Work* (co-edited with Matthew Brannan and Elisabeth Parsons), is published by Edward Elgar. She is an Associate Editor of the journal *Gender, Work and Organization* and her latest work has been published in the *British Journal of Management, Organization* and *Organization Studies*.

Steffen Raub is a Full Professor of Organizational Behavior at the Ecole hôtelière de Lausanne. He holds a PhD in Management from the University of Geneva, and has held faculty positions at the Asian Institute of Technology (AIT) in Bangkok, HEC Lausanne and HEC Geneva, as well as visiting positions at the University of North Carolina, Chapel Hill, USA and the National University of Singapore. His research has appeared in leading hospitality and management journals including, the *Cornell Hospitality Quarterly*, *International Journal of Hospitality Management*, *International Journal of Contemporary Hospitality Management*, *Journal of Applied Psychology* and *Human Relations*.

Karin Sanders is Professor of Human Resource Management (HRM) and Organizational Behaviour at the UNSW Business School, Sydney, Australia. Karin has published in a range of top tier peer-reviewed journals, like *HRM* (Wiley), *HRMJ*, *Organisational Science*, *Organisation Studies* and *Journal of Vocational Behavior* on various aspects of the HRM process approach. Karin is an Associate Editor of the *International Journal of HRM*, *HRM* (Wiley) and *HRM Review*, and is a member of many editorial boards.

Achim Schmitt is Associate Dean (Graduate Programs) and Professor of Strategic Management at Ecole hôtelière de Lausanne. He holds a PhD from the University of Geneva and obtained his Habilitation at the University of Paris-Dauphine in France. Achim has gained academic experience at the University of Geneva (Switzerland), Collège des Ingénieurs (CDI) in Paris (France), China Europe International Business School (CEIBS) in Shanghai (China), Columbia Business School in New York (USA), Universidad de los Andes in Bogota (Colombia) and Audencia Business School in Nantes (France). His research focuses on organisational decline, corporate turnarounds and strategic management, which has been published in some of the leading management journals. He currently serves on the Editorial Board at *Long Range Planning*.

Judy Scully is Senior Lecturer in the Department of Work and Organisation, Aston Business School. Her areas of research expertise include: emergency preparedness and evacuation, health service management and user engagement, SHRM and innovation in the public sector. She worked with the Workforce Intelligence Planning

Team at Birmingham City Council for three years. As an investigator of a research bid team she has been awarded a number of large-scale research grants that have informed publications. These include: the NHS National Staff Survey, believed to be the third largest staff survey in the world, EREBUS (Engaging Research for Business Transformation) and INDEX (Innovation Delivers Expansion). She has recently been part of a team working with Network Rail. In 2005 Judy was awarded the Chancellors Medal and in 2014 she was given an Astonishing Academic Award.

Rosalind H. Searle holds the chair in HRM and Organizational Psychology at the University of Glasgow. Her PhD is from Aston University, and she is a Chartered Occupational Psychologist and fellow of the British Psychological Society. Rosalind's research interests focus on organisational trust and HRM, and counterproductive work behaviours. She has published in the *Journal of Organization Behavior*, *Human Resource Management* and the *British Journal of Management*, and sits on the editorial boards of the *Journal of Management*, *Journal of Trust Research* and *International Perspectives in Psychology: Research, Practice, Consultation*. Her work on fitness to practise was deemed one of the most important insights into wrongdoing for health and social care regulation. Through her ESRC funded work, she has created a suite of free toolkits for organisations to use to develop their HRM – see https://crestresearch.ac.uk/cwb/.

Ying Shi is Assistant Professor of Management at the National Development and Reform Commission, Beijing, China. Her research interests include employee participation and performance management.

Helen Shipton is Professor of International Human Resource Management at the Nottingham Business School, Nottingham Trent University, where she co-directs the Centre for People, Work and Organizational Practice and is serving a second term as Vice Chair for the British Academy of Management. Helen's research has been funded by – among others – the ESRC, CIPD, British Academy, Leverhulme Trust, and has been published in leading peer-reviewed journals such as *Human Resource Management*, *International Small Business Journal*, *Human Resource Management Journal* and *Journal of Organizational Behavior*. Helen is currently Associate Editor for the *International Journal of Human Resource Management* and a member of the editorial boards of *Human Resource Management*, *Human Resource Management Journal* and *Human Resource Management Review*.

Jennifer Surtees is People Experience Director (EMEA) at Xero. Jennifer gained her PhD, and CIPD accredited MSc in HRM and Business, from Aston Business School, Aston University in 2016. Her research focused on inter-organisational innovation in the medical device sector, exploring the collaboration between SMEs and the NHS. During the course of her research degree Jenny completed a secondment within the NHS Technology Adoption Centre.

Nicholas Theodorakopoulos is Professor of Entrepreneurship Development and Associate Dean (International) at Aston University. Nicholas's specialist areas of research, academic publications and teaching include strategic entrepreneurship, learning and innovation and diversity at work. His research has been funded by a host of organisations and has been published in a variety of internationally renowned peer-reviewed journals. He often acts as a coach and investor in early stage small businesses.

Paul Turner has held professorial positions at universities in Birmingham, Cambridge and Nottingham. He has held other senior management and non-executive roles in Europe and Asia. Paul has chaired European HR and Talent Conferences, and was a judge of the European HR Excellence and CIPD People Management Awards. He is the author/co-author of *Workforce Planning* (2010) and *HR Forecasting and Planning* (2002), both published by the CIPD.

Arup Varma is Professor of Human Resources and Employment Relations at the Quinlan School of Business, Loyola University, Chicago. His primary research interests lie in performance appraisals, expatriate issues and HRM in India. He has published over 100 book chapters and articles in leading journals, and has presented over 110 research papers at leading management and psychology conferences globally. Arup is also co-founder and past President of the Indian Academy of Management.

Stephen A. Woods is Professor of Work and Organizational Psychology at Liverpool University Management School and a Chartered Occupational Psychologist. He is known for his work on personality and publishes in leading academic journals and scholarly books. As a practitioner, Steve has worked with a wide array of organisational clients, both in the UK and internationally.

Elaine Yerby is a Senior Lecturer in HRM at the University of East London and leads a variety of strategic HRM modules. She is a Chartered Member of the CIPD and is Vice Chair of the East London CIPD Branch. Her research interests focus on the role of gender in careers and managerial practice, diversity in the workplace and the relationship between HRM and organisational development.

Lara D. Zibarras is Senior Lecturer in Organisational Psychology at City, University of London, a Chartered Occupational Psychologist and Associate Fellow of the British Psychological Society. She has conducted extensive selection assessment research in high-stakes settings, focusing on the applicants' perspective, fairness and diversity, and the use of innovative assessment methods such as situational judgement tests. She has published widely in academic journals and consulted for public and private sector organisations in the areas of selection, training, development and psychometric assessment.

PREFACE

We are delighted to present here the third edition of *Human Resource Management: Strategic and International Perspectives*. We could hardly have imagined some of the social and political changes that have occurred since the first edition came out in 2014. The upheaval of the 2007–8 global financial crisis, so current in 2014, now seems like a distant memory, replaced by political uncertainty, shifts to more radical (or not) ideologies, the rise of artificial intelligence and of course increasing concerns for the future of our planet. While human resource management is in no position to resolve these issues, it treads a delicate line, both domestically and internationally, in reflecting and adapting to these and other mega-trends while retaining integrity and its own sense of purpose. Changing patterns of migration, the rise of the millennial generation, and their increasing (and fully justified) concern for their future are set against the landscape of the ongoing development in technology, changing not just the nature of employment but also whether (and which) work needs people at all. This, and other mega-trends, continue to challenge policy and practice worldwide. More than ever, creative, evidence-based action is needed. In this text, we seek to provide students of HRM with the knowledge, skills and understanding to chart their own course though this challenging terrain, with an awareness of their impact at both macro and micro levels.

Perhaps the biggest influence on this edition – over the previous ones – is that which has been termed the fourth industrial revolution (Schwab, 2017), where the boundaries between the physical, digital and biological worlds are blurring with emerging technologies, the development of AI, and the opportunities and threats posed by the availability and usage of big data. To reflect this, we have in this edition introduced two new chapters: *Digitisation, Artificial Intelligence (AI) and HRM*, and *Workforce (Artificial) Intelligence Planning*.

We are proud to maintain the core themes of ethics and sustainability within our writing. Without values to guide our work we are lost, and, given the various protest movements continuing as we write in late 2019, we feel fully justified in our approach. Values shape our intentions and encourage us to operate ‘for good’ rather than for other less noble motives. This again links to the rising theme of the fourth industrial revolution noted above. The wider cyber-physical world has the potential to make a huge contribution to the nature of work and employment. Big data, AI and machine learning offer the opportunity for better, more elaborate information and analytics through which the implications of our actions can be estimated and better understood. The guiding principles we hold allow us to choose the best course of action to enact those values. As mentioned in the preface to our previous edition, the triple bottom line of people, planet and profit provides a more broadly based set of performance outcomes beyond simple financial viability and economic return and again we reflect these throughout this text.

As you would expect, we have reviewed and updated the literature throughout the text and included more contemporary case studies, examples and learning activities. In response to comments from reviewers, and users, of the book we have sought to further broaden the international dimension of the text to provide truly global perspectives on HRM. We hope this has value not only for students looking to work in multinational contexts, but also for the better understanding of cultural difference within a single domestic context where cross-cultural working and diversity are simply the way things operate in the 21st century. We hope to set out a comprehensive introduction to HRM of use and value in any context, through both covering fundamental principles and knowledge and also nuancing and interpreting that understanding for different environments and businesses.

This book therefore integrates a rigorous understanding of current HR theory and practice with real-world illustrations and examples of HR in practice, and highlights the challenges and controversies that arise when theory meets practice. It adopts a stance which recognises that effective functioning of an organisation is not simply measured by the financial bottom line, but by the outcomes for a wider range of stakeholders. This is located in the broader social, economic and political context.

The book is primarily designed as core reading for students who are having their first introduction to the field of HRM, either on a specialist HRM programme or as part of a more generalist business or management programme. It serves as an introductory HRM text for both undergraduate- and postgraduate-level students, including those on general MBA programmes. The text provides a concise introduction to the field of HRM, balancing the needs of rigour in learning and teaching with relevance in the development of competence and thinking performers. It is suitable both for HR specialists and for non-specialist students who will, as future managers, be expected to implement HRM in the workplace, and indeed themselves be subject to HRM as employees. It seeks to encourage students to reflect on their own position in relation to key debates and to take a critical stance on the dominant managerial rhetoric surrounding HRM and how this would influence their own behaviour in the workplace.

STRUCTURE OF THE BOOK

The book is divided into three main sections. The key aims identified above are referenced throughout all three sections.

PART ONE: STRATEGIC ISSUES IN HRM

The first part of the book (Chapters 1 to 6) lays out a range of overarching themes in contemporary HRM strategy. These reflect the aims identified earlier, and bring to the fore contextual features that shape the environment for HR practice. Chapter 1 discusses the nature, development and role of HRM, locating the field within the broader theoretical and practical landscapes. Chapter 2 moves on to explore HRM at a strategic level, focusing on recent debates around and evidence for the effect of HRM on firm performance. Chapter 3 raises the issue of organisational change, a constant in the business environment, and considers its implications for HRM. Chapter 4 introduces the reader to the HR challenges – and opportunities – associated with the rapid rise of more intelligent technologies in organisations. Chapter 5 focuses on issues of ethics and the role of HRM in promoting ethical, fair and sustainable organisations. Finally, in Chapter 6, the impact of the international context on HRM is explored. How do and how should organisations operating across borders and with diverse workforces adjust their approach to HRM to recognise and accommodate difference?

PART TWO: HRM IN PRACTICE

The second part (Chapters 7–13) covers the core functional areas for HRM, taking a broadly 'employee lifecycle' approach. This begins with workforce (artificial) intelligence planning (Chapter 7), which identifies the future demands for skills and behaviours across the workforce and their conversion into implementable actions in support of strategic objectives. Chapter 8 moves on to recruitment and selection, possibly the most recognisable of HR activities. Drawing on contemporary literature in both HRM and work psychology, the chapter reviews theory, practice and ethics in recruitment and selection. Diversity and HRM (Chapter 9) critically examines a range of perspectives on diversity management and their implications for HRM policy and practice. Chapter 10 turns to the place of learning and development in organisations. Focusing primarily on individual (rather than organisational) learning, it contrasts more traditional approaches to training in organisations with more individualised learning-based approaches to development. Chapters 11 and 12, 'Reward Strategies and Systems' and 'Performance Management and Motivation', could be viewed as a pair. A key theme in relation to reward is the establishment of fairness in the assessment and distribution of all forms of reward, both intrinsic and extrinsic. This is examined at some length, looking also at ways of establishing fair procedures and the meaning of fairness in this respect. Chapter 12 looks at how motivation can be managed in organisations, in part through the allocation of reward, but also through a broader set of performance management practices with their roots in work psychology and motivation theory. Finally, in Part 2, workplace relations and regulation (Chapter 13) are explored. While different jurisdictions operate different workplace regulations, the chapter here will focus on the principles of workplace regulation and issues of power among different stakeholders in organisations.

PART THREE: HRM IN CONTEXT

The final part of the book explores two sectors which are sometimes argued to be overlooked by much of the contemporary HR literature and yet place specific demands on HR operation and employ a significant number of people. Specifically, these are small firms (Chapter 14) and the not-for-profit sectors (Chapter 15). Both of these sectors can be difficult to define; however, they have increasing socio-economic significance both locally and globally. Chapter 14 explores the nature of people management in specifically entrepreneurial small firms and the usefulness of conventional and novel people management practices in such firms. In Chapter 15, the range of not-for-profit organisations is first outlined, along with the challenges they face. The influence of the political environment on not-for-profit strategy and orientation is explored.

PEDAGOGICAL FEATURES

In order to ensure that the three core aims identified earlier are achieved, the book contains a number of learning features in each chapter.

KNOWLEDGE AND SKILLS OBJECTIVES

Each chapter begins with a set of knowledge and skills objectives that students should achieve by the end of the chapter. These skills objectives are also mapped against the Developing Key Skills features/boxes throughout the chapter.

DEBATING HRM

A key feature of the book is that it presents the challenges and dilemmas that are faced by HR professionals in the workplace. Each chapter highlights key contemporary debates and suggests questions and activities which students can consider to encourage more detailed and creative exploration of the issue.

HRM IN PRACTICE

In each chapter, there are examples of excellent, unique or unusual HRM practice drawn from real-world examples. These are included to highlight the range of HR practice and to encourage students to think innovatively about HR issues.

CASE STUDIES

Each chapter contains two case studies, one short case mid-chapter and a longer end-of-chapter case. Each case has a set of accompanying questions which students can explore individually or in groups to broaden their learning. This serves to enhance the linkage between the theory presented in the chapter and the practical challenges faced by HR professionals in the international environment. Again, reflecting the key aims within the book, the case studies and the HRM in Practice features have been selected specifically to address both international examples, particularly from emerging economies, and examples which illuminate issues of ethics and social responsibility.

GRADUATE INSIGHTS

In order to enhance and make real the lived experience of HRM, each chapter includes some insights obtained from recent graduates or current students undergoing work-based training. These again relate specifically to the subject matter of the chapter and may be observations, specific problems faced or difficulties encountered, or reflections on a role which the student/graduate has undertaken.

DEVELOPING KEY SKILLS

Each chapter contains a number of tasks/activities aimed at developing the core HR, management and leadership skills expected of university graduates. The skills identified within each chapter will be particularly pertinent (though not limited) to the topic and focus of the chapter and are outlined in the skills outcomes at the beginning of each chapter. While these activities may not be a replacement for real work experience, in some small way they provide an opportunity for students to start 'doing' HR, thus further enhancing their professional development and employability.

REVIEW QUESTIONS AND EXERCISES

At the end of each chapter, and following a bulleted chapter summary, a set of review questions is included. Of these, some are related to the curriculum content, either from the CIPD or that which is commonly covered in HRM modules, some are more reflective questions which students can follow up on as additional study, and at least one is an experiential exercise designed to broaden students' experience of HRM through either work-based or simulated activities.

EXPLORE FURTHER

Having purchased this book, you will have access to the full-text articles published by Sage which are referenced in the book. Key articles in this respect are highlighted in each chapter. An annotated further reading section is also included for each chapter, which identifies key source material on which students should follow up. Indications as to the significance of these sources and their specific contribution to knowledge are included for these sources.

ACKNOWLEDGEMENTS

First, we would like to thank all the authors who have contributed to this edited textbook. Without your expertise and commitment to the project this book would not exist, and for this we are truly grateful.

Second, we would like to thank all the team at Sage for their unerring support for and commitment to our book. We extend particular thanks to Publisher Kirsty Smy, who expertly supported and guided our original book proposals, and to Commissioning Editor Ruth Stitt, who has guided and supported us throughout the development and completion of this third edition. Without the support, patience and persistence of both of you this book would not have been written.

Third, we would like to thank all the reviewers who have been involved throughout the project and those academics who have provided invaluable guidance on their use of the first and second editions and how best to develop this third edition. Your commentaries have been insightful and informative and we hope you can recognise your influence in how the book has developed. We continue to attend to your input on the tone, content and usefulness of our book.

Finally, we would like to thank all the authors and publishers who kindly agreed to grant us permission to reproduce the copyright materials in their various publications. These materials are an essential component of this book and without your kind permissions this would not have been possible.

PUBLISHER'S ACKNOWLEDGEMENTS

We would like to extend our warmest thanks to the following individuals for their invaluable feedback on the proposal and draft material for this book:

Ju Li Ng, University of Sydney
Naveena Prakasam, Swansea University
Sarah Robson, University of Sunderland
James Sun, University of Auckland
Yingjie Yuan, University of Groningen

PART ONE STRATEGIC ISSUES IN HRM

Chapter 1 Introduction: Context and Challenges for HRM
Chapter 2 HRM and Firm Performance
Chapter 3 Organisational Change and HRM
Chapter 4 Digitisation, Artificial Intelligence (AI) and HRM
Chapter 5 HRM and the Ethical Organisation
Chapter 6 Globalism, Multinational Enterprises and HRM

PART TWO HRM IN PRACTICE

Chapter 7 Workforce (Artificial) Intelligence Planning
Chapter 8 Recruitment and Selection
Chapter 9 Diversity in Organisations: HRM and International Practices
Chapter 10 Learning and Development
Chapter 11 Reward Strategies and Systems
Chapter 12 Performance Management and Motivation
Chapter 13 Workplace Relations and Regulations

PART THREE HRM IN CONTEXT

Chapter 14 HRM in Small and Medium Sized Enterprises (SMEs)
Chapter 15 HRM in the Not-for-Profit Sectors

PART ONE

STRATEGIC ISSUES IN HRM

1 Introduction: Context and Challenges for HRM 4
2 HRM and Firm Performance 34
3 Organisational Change and HRM 62
4 Digitisation, Artificial Intelligence (AI) and HRM 88
5 HRM and the Ethical Organisation 112
6 Globalism, Multinational Enterprises and HRM 140

CHAPTER 1

INTRODUCTION: CONTEXT AND CHALLENGES FOR HRM

Jonathan R. Crawshaw, Jude Preston and Alastair Hatch

CHAPTER KNOWLEDGE OBJECTIVES

- To reflect on the changing nature and context of work in terms of the environment in which the contemporary organisation operates.
- To describe the implications of these changes for managing people at work.
- To outline the nature of HRM and its evolution.
- To identify the range of roles, activities and processes included in HRM.
- To discuss the skills and knowledge areas required by HRM specialists and others undertaking HRM responsibilities within organisations.

KEY SKILLS OBJECTIVES

- To explore and describe what it is that you want from work.
- To recognise that different people have different views on work and the employment relationship.
- To take other people's views into account when working in groups or teams.
- To set out the key requirements for an HRM role within an organisation.
- To make arguments from different points of view.

GO ONLINE

This chapter comes with loads of online tools to help you to go that extra mile in your studies!

- **Multiple choice questions** to help you test your knowledge and revise for exams.
- **Journal articles** so you can read further for assignments and essays.
- **Videos** to help you to understand how complex concepts work in the real world.

Visit **https://study.sagepub.com/Crawshaw3e** to access these resources for this topic.

ONLINE STUDY TOOLS

Thinking about joining the CIPD?

Peter Cheese, CEO of the CIPD, sets out the CIPD's aims and vision for the future in a video available via the companion website:

https://study.sagepub.com/Crawshaw3e > Student Resources > Chapter 1 > Videos

INTRODUCTION

This introductory chapter has three main aims. First, it will explore the nature and evolution of **human resource management** (HRM) as both an academic field of study and a professional discipline. Second, it will outline the potential roles, skills and competencies required by HR professionals – themes that will be returned to throughout the remainder of this book. Finally, it will introduce a number of contemporary people management challenges which organisations face, and the HR implications of these challenges; again, these are issues that will be revisited throughout the remaining chapters of the book.

Human resource management (HRM) The organisational function that deals with issues related to its workforce. HRM may also be seen as a particular 'perspective' on people management – one that emphasises a strategic and integrated approach.

WHAT IS HRM?

We could answer this question by simply listing all the activities undertaken by an HR department or HR professional. A quick look at any number of HRM textbooks, HR-related websites or company profiles, and we could soon compile a fairly extensive list of these activities and responsibilities (see Figure 1.1). In this diagram, we have arranged the HR activities into four broad categories: operational, strategic, administrative and people-focused activities. However, it should be borne in mind that these categorisations are by no means definitive – many activities can reasonably be argued to fit into more than one of these category types. This can take us only so far, however, with organisations varying considerably in the activities undertaken by their HR functions. For example, despite the existence of a fairly complex and sophisticated HR function, an organisation may not have an HR presence at the senior management/executive board level. One would expect that within such an organisation, HR's role in strategic decision-making might be fairly minimal. Some organisations don't have a distinct HR function at all – this is common in many small and medium sized enterprises (SMEs). On a more practical level we know that working for one organisation is often very different from working for another despite the two perhaps employing similar HR policies and practices.

In other words, the way we are organised, directed and controlled, the employer's expectations of us and our contribution to the organisation, and our day-to-day experiences of work and treatment at the hands of our employer can vary greatly. Is this a function of whether one organisation has an HR department and another does not? Is this because one organisation employs certain HR activities that another does not? In short, the list of management activities presented in Figure 1.1, which is neither exhaustive nor definitive, tells us nothing about why these activities are undertaken by organisations, the methods

Operational HR Activities	Strategic HR Activities	Administrative HR Activities	People-focused HR Activities
• Business partnering • Advice to line managers • Recruitment • Selection • Learning and development • Training • Management development • Reward and benefits management • Performance management • Disciplinary and grievance proceedings • Dismissals • Redundancy • Employment law advice	• Executive Board membership • Strategic decision-making • Workforce planning • Succession planning • Organisational (job) design • Talent management and development • Policy development	• HR-related administration • Upkeep of personnel records • Pay, and managing the payroll system • Pensions • Health and safety • Equal opportunities monitoring	• Employee engagement and motivation • Career management • Counselling • Occupational psychology • Occupational health • Change management

FIGURE 1.1 Common HR activities

used or how effectively they are implemented, their ultimate goals, or the relative role, power and influence of the HR function within the organisation.

Let's start instead, therefore, with a definition. Storey (2007: 7) defines HRM as 'a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly-committed and capable workforce using an array of cultural, structural and personnel techniques'. Storey's is a commonly cited definition and, although there are others, most are fairly consistent in their emphasis on similar assumptions and themes. So, what are these assumptions?

1. That HRM is one particular, but not necessarily dominant, approach to the management of people in organisations. Thus, HRM may be seen as the enactment or operationalisation of a particular 'perspective' or 'philosophy' on people management.
2. That HRM has a strategic role to play in helping an organisation achieve sustained competitive advantage. Many refer to this as HR 'adding value' to the organisation.
3. That an investment in a highly skilled and motivated workforce, through effective HRM policies and practices, is the 'one best way' to secure one's competitive advantage.

4 That HRM presents a **unitaristic** view of the employment relationship. In other words, the achievement of organisational goals and objectives is the sole purpose of employers and employees, and it is commitment to these goals that is sought from all stakeholders in the organisation. This is an alternative to a more **pluralistic** perspective on the employment relationship, which would recognise the importance of the different and often competing objectives or goals of different stakeholders – for example, employers, employees, trade unions, shareholders and governments. These perspectives are further discussed in Chapter 13.

Unitaristic A perspective on the employment relationship that assumes the commitment to a single set of (organisational) goals by all stakeholders.

Pluralistic A perspective on the employment relationship that recognises the multiple (and often competing) goals of different stakeholders.

Despite the definition and description presented above, let us not be under any illusion: HRM is still a heavily contested term. Indeed, for many, this is still the single most important, and yet unanswered, research question facing HRM scholars (e.g. Mayrhofer et al., 2000).

THE EVOLUTION OF HRM

We may get a better handle on exactly what HRM is if we attempt to understand its origins and evolution as an academic and practitioner field. After all, 50 or 60 years ago you may have been hard pressed to find mention of HRM in academic circles and few organisations that would have had a specifically named 'HRM' function or department. While the exact nature of HRM and its evolution will vary from country to country (more of which later in Chapter 6), most seem to agree that the origins of 'modern HRM' are based in the workplaces and universities of the USA.

An excellent article by Bruce Kaufman exploring the historical emergence of American HRM (Kaufman, 2014) identifies a complex and multifaceted development of the field. Here we simplify this to what we believe are the three key stages of this evolution: (1) the social reform movements and emergence of industrial relations and personnel management; (2) the human relations movement and expansion of organisational behaviour as an academic discipline; and (3) the transition from personnel management to the more strategic HRM. For some, the recent focus placed on business ethics and social and environmental sustainability has led to a new, fourth stage in this evolution, with the emergence of sustainable HRM – one which focuses on delivering these competing economic, social and environmental goals (e.g. Freitas et al., 2011). We summarise below each of these four evolutionary stages of HRM.

THE EMERGENCE OF INDUSTRIAL RELATIONS AND PERSONNEL MANAGEMENT (CIRCA 1890S–1930S)

Modern HRM is said to have its historical roots within the social reform movements of the late 19th and early 20th centuries. More enlightened employers, such as Robert Owen and George Cadbury in the UK, strove to improve the appalling working conditions that faced many men, women and children of this time. In the same period a growing number of labour movements across the newly industrialised world – the National Catholic Welfare Council in the United States and the Welfare Workers' Association in the UK – were also pushing for improved employment rights on a number of issues, including new regulation and legislation around long working hours, the use of child labour, and improved health and safety at work.

A growing 'labour problem' (e.g. Leiserson, 1929) associated with mass manufacturing and large-scale employment – manifested in greater conflict (and thus poorer relations) between employees and management – also saw a growing interest in the effective strategic management of the labour force at this time. In line with Classical Management Theory, in particular notions of bureaucracy (Weber, 1946) and the division of labour (Henri Fayol, 1841–1925), Frederick Taylor's *Principles of Scientific Management* (Taylor, 1911) is recognised as one of the most influential theoretical and, ultimately, practical people management developments of this period. Scientific management argues that greater workplace productivity is achieved through more rationalised and efficient modes of production. In short, Taylor and others placed their faith in a scientific, statistically-based analysis of the workplace to constantly strive for ever greater efficiencies in the production process. Efficiency, it was concluded, may be attained through:

1. The increasing mechanisation of the workplace.
2. The simplification and routinisation of work.
3. The extrinsic, output-related, reward-based motivation of employees.

Motivation A psychological drive to behave in a particular fashion, driven to achieve certain outcomes that are expected to fulfil certain needs.

On the surface, such principles do not appear to put people, and by this we mean employees, and their effective management at the forefront of managerial practice. In fact, however, a central concern of Taylor's studies was the **motivation** of workers (see Pryor et al., 2011). He simply concluded that motivation, and thus the efficient performance of employees, would be gained through the design of clear, simple and repetitive tasks, and the use of reward systems based on being paid for piecework. Indeed, these ideas are still very much in evidence today in many organisations and their departments, such as call centres, fast food outlets and contemporary car manufacturing plants.

Importantly, new workplaces driven by these principles of scientific management were required to engage more fundamentally than ever before, with issues of effective job design, workforce planning, training, reward and performance measurement – all core activities associated with the burgeoning field of 'personnel management', as it was known at this time. Indeed, it is reported that while in 1918 only a handful of firms in the USA had a personnel department, 10 years later one-third of companies with over 250 workers had one (Kaufman, 2014). Interestingly, it was also during this period that today's two largest bodies supporting the HR profession came into being – in the UK the Chartered Institute of Personnel and Development was formed in 1913 as the Institute of Industrial Welfare Workers, while a little later in the USA the Society for Human Resource Management was formed in 1948, as the American Society for Personnel Administration – again perhaps reflecting the growing importance of personnel management, and HRM as a profession at this time.

HRM IN PRACTICE

People management and the Cadbury 'model village'

Cadbury Brothers, run by John and Benjamin Cadbury, two brothers from a family of Quakers, started trading in Birmingham around 1824. By the middle of the 19th century they were so successful that they were manufacturers of cocoa and chocolate to the Queen. Towards the end of that century George and Richard Cadbury, who were John's sons, had taken over the business from their father. George opened a new factory and site in the Bournbrook area of Birmingham. The 'Bournville' factory, as it became known, was unique not only because of its excellent access to transport links but also because of the facilities it provided to its workforce. At his own cost, George Cadbury built a 'Model Village' comprising hundreds of new homes and cottages for his workers. This 'factory in a garden' was designed around the new 'Garden City' movement that was emerging in the UK. All homes had gardens, with the site also containing sports fields, swimming pools, public gardens, churches, schools – all designed to improve the standard of living for the Cadbury workforce. Workers were also provided with cheaper rail fares from the local station into Birmingham. This factory was built not only upon Quaker principles – there was no pub, and alcohol was not available to be bought within the village – but also on important business principles: that a happy, healthy and highly motivated workforce is good for business.

Source: the Cadbury website at www.cadbury.co.uk/the-story.

HUMAN RELATIONS AND ORGANISATIONAL BEHAVIOUR (CIRCA 1930S–1970S)

Towards the middle of the 20th century, although with its genesis in the Hawthorn Studies of the 1930s, there was an explosion of academic research in the overlapping fields of industrial and organisational psychology, industrial anthropology and sociology, which began to heavily influence management theory and personnel management practice. A key strand of this research became known as the human relations movement and took a particularly 'behavioural', 'psychological' and 'emotional' perspective on the employment relationship, rejecting, at least on the surface, the 'rational economic (wo)man' assumptions of Taylorism and scientific management. This research was particularly interested in exploring the potential relationships between organisational efficiency, organisational performance and employees' positive emotions, attitudes and behaviours at, and towards, work.

Today such work is more commonly aligned with the academic discipline known as organisational behaviour. Although it is beyond the scope of this textbook to explore all of the individual avenues of enquiry that make up the field of organisational behaviour, research on topics such as leadership, organisational culture, team or group working effectiveness, interpersonal relations at work, organisational commitment, job satisfaction and engagement, organisational justice and individual personality differences, all have at their centre concerns regarding the improvement of working lives and the potential positive effects on individual, team and organisational effectiveness (e.g. Woods and West, 2010). It is within this period of academic endeavour that contemporary notions of HRM – and indeed the term HRM – began to emerge.

FROM PERSONNEL MANAGEMENT TO THE MORE STRATEGIC HRM (CIRCA 1970S–THE PRESENT)

One of the most confusing aspects of studying, and even working within, HRM is the, often interchangeable, use of various phrases and terms for 'HRM'. Consider for a moment whether there are any real differences between departments labelled HRM, Human Resource Development (HRD), Personnel, People Management and Development, Human Capital Management, Talent Management and Labour Concepts Management (yes, that is a real department!). These issues are further compounded by the ever-expanding range of job titles held by 'HR' professionals. We could, therefore, simply accept this situation and not place too much importance on a name or a job title, instead referring more generally to people management and investigating more closely what each organisational function or individual practitioner does.

However, within the academic literature at least, a dichotomy is often proposed between notions of personnel management and HRM, with the more strategic and business-focused HRM often presented as evolving from the more operational, administrative and employee-focused personnel management (Storey, 1989). Notions of strategic HRM, as opposed to a more operational and functional personnel management, gathered pace in the 1960s and 1970s, with the work of Michael Beer and colleagues at the Harvard Business School proving particularly influential. The 'Harvard Model' of HRM emphasises the importance of a close alignment between a firm's business and HR strategy and the development of a high-commitment workforce (for more, see Chapter 2). This is pitched as a contrast to 'personnel management practices' that are viewed as a rather ad hoc collection of more bureaucratic, controlling and reactive people management policies (Caldwell and Storey, 2007). Figure 1.2 summarises these main differences.

Hard HRM Those HR policies and practices that enable the close control and coordination of employees – viewing employees as an organisational resource to be effectively utilised.

At this same time, and closely paralleling debates around the transitions from personnel management to HRM, was the identification of 'hard' and 'soft' variants of HRM (for a review see Truss et al., 1997). **Hard HRM** is said to place an emphasis on the efficient utilisation of the workforce. In other words, hard HRM very much views employees as a 'resource' that needs to be effectively sourced and deployed to achieve

DEVELOPING KEY SKILLS

Career exploration

Research global job sites (e.g. www.jobsite.co.uk/) for HR-related job titles.

TASK: Compare and contrast the different job titles. Using the person specification/job description, compare the nature and scope of these jobs.

Personnel Management		**HRM**
Employee-focused	→	Business partner
Operational and administrative	→	Strategic
Reactive	→	Proactive
Fragmented and ad hoc policies and practices	→	Integrated and co-ordinated policies and practices
Focus on performance measurement	→	Focus is on adding value

FIGURE 1.2 **Key differences between personnel management and HRM**

organisational goals – like any other resource or raw material (Truss et al., 1997). As a result, hard HRM tends to focus on those HR activities and tools related to the close control and coordination of employees – for example, HR planning, clear goal or target setting and, most important of all, continuous performance measurement and assessment – and is therefore regarded as closely aligned to the more bureaucratic principles of personnel management.

Soft HRM, on the other hand, is said to place a greater emphasis on those people management practices and activities that are aimed at gaining the affective, or in other words, emotional, commitment of employees to the organisation and its goals. Employees are thus viewed in the more humanistic way extolled by the human relations, strategic HRM and **high-commitment work practices** (HCWP) work described above (e.g. Wood and De Menezes, 1998). Tight control of employees is thus potentially less important because highly committed employees are more self-regulating (Truss et al., 1997). Figure 1.3 summarises the main differences between hard and soft models of HRM.

Soft HRM Those HR policies and practices that aim to elicit the affective (emotional) commitment of employees to the organisation and its goals.

High-commitment work practices Those policies and practices designed and implemented by organisations in order to elicit the affective commitment and engagement of some or all of their employees.

Today the mainstream HRM literature suggests that effective HRM policies and practices are those that engage with both hard and soft notions of HRM – and thus the principles of personnel management and strategic HRM – and that these activities are not mutually exclusive. After all, hard HRM, which is associated with tighter control practices such as performance measurement and management, may provide a greater work-related clarity and focus for both employers and employees. At the same time, a greater involvement in decision-making and flexibility – soft HRM – may present more enriching and rewarding work for employees and the associated attitudinal and behavioural benefits for employers.

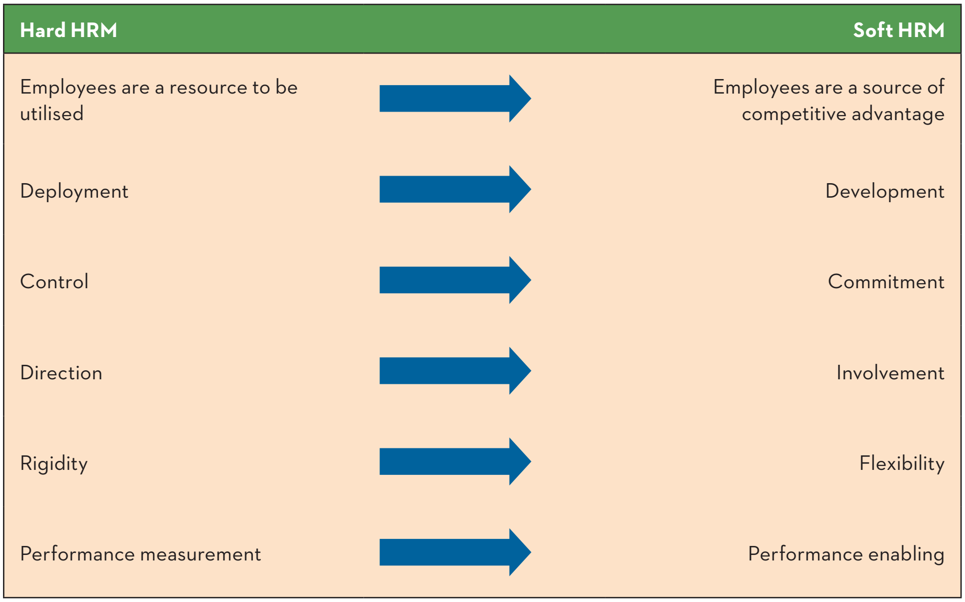

Hard HRM
Soft HRM
Employees are a resource to be utilised
Employees are a source of competitive advantage
Deployment
Development
Control
Commitment
Direction
Involvement
Rigidity
Flexibility
Performance measurement
Performance enabling

FIGURE 1.3 Hard and soft HRM

SUSTAINABLE HRM (2000S–THE PRESENT)

The last 20 years or so have seen an increasing interest in business ethics, social responsibility and environmental sustainability. Ever more high-profile organisational ethical and environmental scandals have driven this interest, and many firms have reacted by focusing on their strategic approach to delivering their business in an ethical and both socially and environmentally responsible way.

Many see the HR function as best placed to help organisations deliver this sustainability agenda (e.g. Parkes and Davis, 2013). After all, delivering a more ethical and socially and/or environmentally responsible organisation can only be done through one's people. Thus, for authors such as Freitas et al. (2011), this period sees a new phase for HRM – one where effective HRM seeks a balance between 'economic prosperity, social equity and environmental integrity' (p. 232) – a theme we return to later in this chapter and book.

GRADUATE INSIGHTS

First impressions of HR work

The following is taken from a conversation held with Rich (real name withheld), a recent Aston University graduate of the MSc HRM and Business programme. Rich secured an HR position on the Graduate Development Programme of a large multinational enterprise (MNE).

Author: Can you briefly describe your job roles and responsibilities?

Rich: Yes, well obviously I am currently still part of the graduate scheme here which means that my roles and responsibilities have varied a lot over the past 12 months or so. I have spent around three months (or thereabouts) each in different departments and as such I have had experiences of different parts of the business, not just HR. This is important, however, because it is obviously really important for an HR person to know about all aspects of the business.

Author: In terms of HR then, what experiences have you had? What are your first impressions?

Rich: I am beginning to understand the structure of the department much more and the different roles that exist in it. Here, we have HR Advisors who are responsible for different parts of the business. Each Advisor has a team of people providing HR advice and support to managers and employees in their part of the business, with the Advisors reporting to the Head of HR. We also have a lot of HR advice and support via our online portal. In fact, part of what I have been doing to date has been helping to develop and upkeep our online HR site. I have also been introduced to some policy work and been allowed to sit in on a number of meetings – mainly planning and advisory meetings, that sort of thing.

Author: And your first impressions of HR here?

Rich: Yes, good. There looks to be a lot of interesting work going on, you know. It's not just answering phone queries and stuff (although there is that of course). Like I said, there is policy writing and important planning meetings around recruitment and training and development. My feelings are that HR is taken quite seriously here and that the company recognises the importance of getting HR decisions right.

Author: And what skills do you think you will need to become an effective member of the HR team here?

Rich: Oh, I don't really know yet. I would say quite general skills really. Obviously, you would want a good understanding of HR stuff – particularly employment law – but I would say it is equally important to be able to work well with your colleagues, share information, be professional, keep to deadlines and be reliable, those sorts of things. Oh, and definitely be able to work under pressure and to deal appropriately with some very sensitive situations.

CRITICAL PERSPECTIVES ON HRM

Before we go any further, it is important to recognise that there is a well-established 'critical' perspective on the HRM debate. Some scholars believe that the reality of 'HRM in practice' has been an all-too-dominant focus on those practices associated with hard HRM without the requisite engagement with soft HRM policies and practices (Caldwell, 2004; Legge, 2005). In other words, HR is principally about gaining the control and compliance of employees and not on facilitating their autonomy and affective commitment. Indeed, some authors present evidence that there has been very little engagement by many organisations in HRM in any form or at any level. Others criticise HRM for being 'old wine in a new bottle'. In other words, HRM is simply a 'faddish' collection of terms for many managerial practices that have existed within the workplace for many years. Indeed, this has been the response of many critical scholars to debates around the proposed transition from personnel management to strategic HRM; that HRM is nothing more than a repackaging of old ideas (for a review, see Legge, 2005).

Importantly, these perspectives and opinions often lead critical scholars to conclude that the principles of HRM perhaps hide a much darker, more sinister, managerial agenda. Drawing on Marxist critiques of the labour process, HRM is thus viewed, not as a path to greater employee enrichment and satisfaction at work, but instead as a managerialist agenda and rhetoric for the ongoing exploitation of people at work (e.g. Keenoy, 1990). Indeed, there is some fairly compelling evidence that such beliefs and conclusions may have some weight. For example, the continuing erosion of employees' job security; evidence of ever longer working hours (Gillan, 2005); growing numbers of reported cases of stress-related illnesses (CIPD, 2012a; Van De Voorde et al., 2012); and the ever-growing distance between the pay and rewards of those in the lowest and highest paid positions (Woods, 2010a). Fifty or so years of HRM do not appear, one may argue, to have led to the utopian workplaces HRM scholars and practitioners perhaps promised.

HRM ROLES AND RESPONSIBILITIES IN ORGANISATIONS

While noting these important critical perspectives on HRM, our attention now turns to a number of competing models that have attempted to frame, summarise and explain the different roles, responsibilities and activities of HRM described in the previous sections. Here we present two (but there are more!) that are still heavily influencing both theory and practice – Storey's (1992) 'strategic/tactical' model and Ulrich and Brockbank's (2005) 'HR leader' model, itself an update of an earlier model (see Ulrich, 1997a). We then explore recent cross-national research evidence for the enactment, and relative importance, of these roles.

STOREY'S (1992) STRATEGIC/TACTICAL MODEL

Storey noted that the role played by HR could be best described along two criteria: whether or not this role involved the direct intervention of the HR function in the employment relationship; and whether or not the function and its activities were principally strategic or tactical (operational) in nature. HR roles are thus defined along two dichotomous axes:

1. *Level of intervention*: where 'Interventionist' HR is directive and proactive and 'Non-interventionist' HR is reactive and non-directive.
2. *Strategic or tactical focus*: where 'Strategic' HR is focused on macro business-related concerns, and 'Tactical' HR is focused on more day-to-day operational (micro) people management issues.

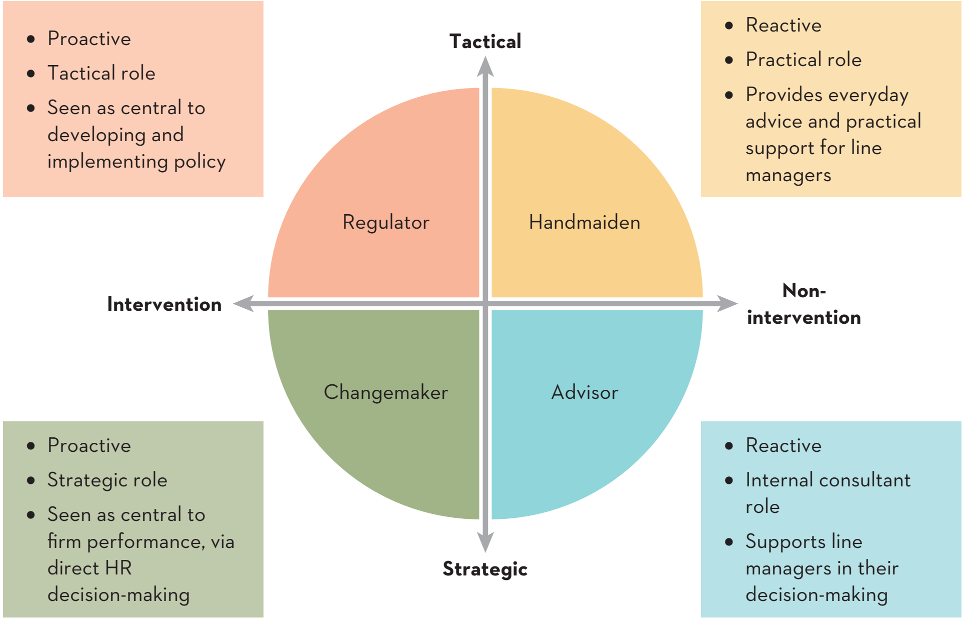

Proactive
Tactical role
Seen as central to developing and implementing policy
Tactical
Reactive
Practical role
Provides everyday advice and practical support for line managers
Regulator
Handmaiden
Intervention
Non-intervention
Changemaker
Advisor
Proactive
Strategic role
Seen as central to firm performance, via direct HR decision-making
Strategic
Reactive
Internal consultant role
Supports line managers in their decision-making

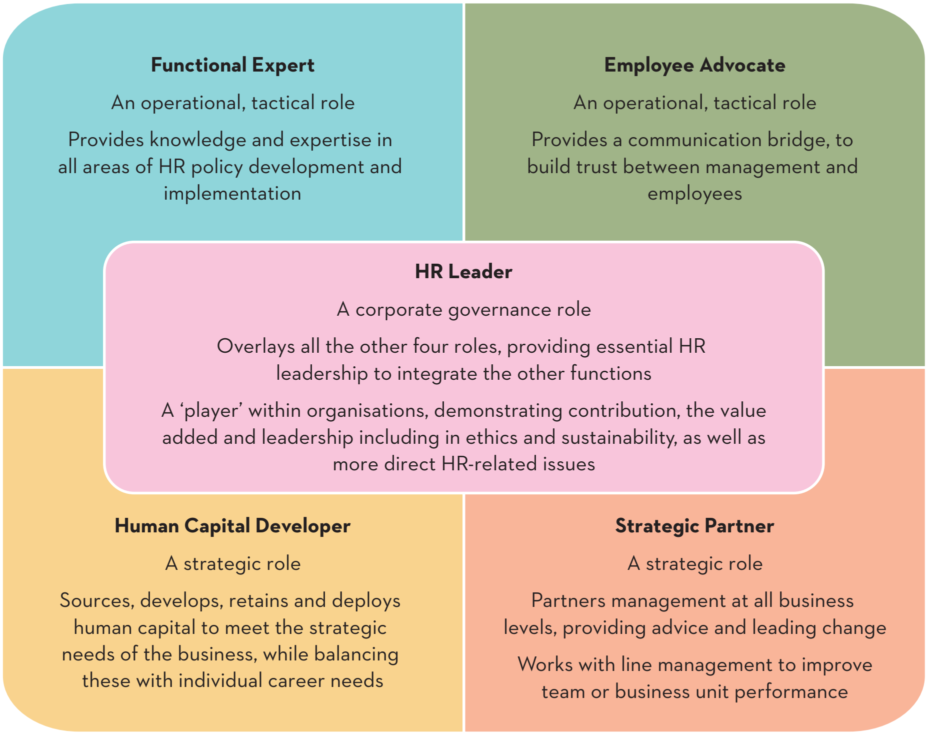
FIGURE 1.4 Storey's (1992) strategic/tactical HR roles

Within this two-by-two matrix, four potential roles for HR are thus observable: the Handmaiden, which sits in the tactical and non-interventionist quadrant; Advisor, which is strategic and non-interventionist; Regulator, which is tactical and interventionist; and Changemaker, which is strategic and interventionist. Storey (1992) argued that all may be present within an organisation, but that most likely one would be dominant. These four roles are summarised in Figure 1.4

ULRICH AND BROCKBANK'S (2005) HR LEADER MODEL

Ulrich and Brockbank proposed five potential HR roles within organisations – the Functional Expert, Employee Advocate, Human Capital Developer, Strategic Partner and HR Leader roles. Like Storey, they attempted to develop a model that recognised, and integrated, the complex (and often competing) strategic and operational functions and responsibilities of HR within organisations. Figure 1.5 illustrates and summarises these roles.

There are obvious similarities between Storey's (1992), and Ulrich and Brockbank's (2005) models. Both recognise a complex mix of operational and strategic roles for HR and also the potentially contradictory nature of these roles – for example, it may not be easy to rationalise and carry out both of Ulrich and Brockbank's 'employee advocate' and 'strategic business partner' roles. Indeed, many others have also commented on the potential 'role conflict' facing HR professionals trying to balance and enact an ever more complex range of duties and activities (e.g. Caldwell, 2003). Despite these concerns, as we have discussed previously, the pervading HRM rhetoric has proposed an increasingly strategic and less operational role for the HR function; but what does the research evidence tell us about the reality of these roles and this proposed transition in practice?



Functional Expert

An operational, tactical role

Provides knowledge and expertise in all areas of HR policy development and implementation

Employee Advocate

An operational, tactical role

Provides a communication bridge, to build trust between management and employees

HR Leader

A corporate governance role

Overlays all the other four roles, providing essential HR leadership to integrate the other functions

A ‘player’ within organisations, demonstrating contribution, the value added and leadership including in ethics and sustainability, as well as more direct HR-related issues

Human Capital Developer

A strategic role

Sources, develops, retains and deploys human capital to meet the strategic needs of the business, while balancing these with individual career needs

Strategic Partner

A strategic role

Partners management at all business levels, providing advice and leading change

Works with line management to improve team or business unit performance

FIGURE 1.5 Ulrich and Brockbank’s (2005) HR leader model

RESEARCH EVIDENCE: AN INTERNATIONAL PERSPECTIVE

The research evidence is, at best, mixed. In the US, a number of studies into the changing roles of HR departments have presented a fairly negative picture. For example, in 2001 Lawler and Mohrman (2003) surveyed 150 medium-to-large US companies; this was a follow-up to two earlier studies. They concluded that there had been very little change since their first survey in 1995, in the way that HR spends its time – that is, more time is spent on traditional operational HR activities and not as a strategic business partner.

The findings are similar in the UK. Caldwell (2003), in his 1999 survey of 98 UK companies, found that 82 per cent of them reported that Storey’s ‘HR advisor’ was their most dominant role. In other words, strategic but non-interventionist, thus again falling short of the strategic business partner/change agent roles proposed in these models. A more recent 2007 survey of 787 small, medium and large UK organisations carried out by the CIPD supports these findings. While it reports that on average the HR function has doubled the proportion of time it spends on ‘strategic inputs’ at the expense of ‘administrative activities’, at the same time the amount of actual time the HR function spends on providing support to line managers and HR administrative tasks is still very dominant (CIPD, 2007).

We also see similar trends in the research carried out in other parts of the world. In China, Zhu et al. (2005), in a study of 328 managers from across state-, private- and foreign-owned enterprises, reported no significant differences between levels of strategic HR participation between their earlier survey in 1994/95 and the more recent survey in 2001/2002. Indeed, in both state-owned and foreign-owned enterprises strategic-level participation of the HR function had seemingly dropped over this period. In India, Srimannarayana (2010), in a study of 293 managers, also concludes that HR is mainly engaged in Ulrich's (1997a) administrative expert and employee champion roles – that is, those non-strategic-focused roles. In their comparative study of 457 Brazilian and Peruvian managers, Coda et al. (2009) concluded that while HR departments in both countries were generally viewed positively in their delivery of operational HR activities, strategic roles and duties were not seen as effectively performed.

Interestingly, one country where there may be some firmer, more positive, evidence of this transition to a more strategic role for HR is Australia. In a comparative study of HRM roles across a number of countries, Bowen et al. (2002) reported that the status afforded the HR function in Australia was the highest of any country in their study, and significantly higher than in the USA. The importance and influence of HR in Australia seems to be confirmed by a later study by Sheehan et al. (2006) who, in a survey of 1372 members of the Australian Human Resources Institute (AHRI), reported that 20 per cent of respondents identified strategic development as their primary HR role. In response to a question regarding the level of importance of various HR activities over the past five years, they also rated strategic integration of HRM policies the highest, with 47 per cent of respondents rating this as very important.

HRM IN PRACTICE

Innovative HR from Asia

'Next Generation HR' is the CIPD's global research project into innovative HR practices. While the first stage focused on UK-based companies, the second focused on data drawn from HR leaders in 27 companies operating across the Asia–Pacific region (e.g. India, China, South Korea). Although findings from this phase are mixed, they are also particularly interesting. Perhaps challenging traditional notions of 'Eastern' countries seeking (and often struggling) to implement 'Western' HR thinking, the findings instead provide evidence that some of these HR leaders are coming up with new and highly innovative HR solutions to deal with many of the common challenges facing organisations across the globe – for example, securing sustainable business growth, talent management and retention and employee engagement. Connor (2011) summarises these findings as follows, suggesting the best HR leaders often:

Have a more fluid interpretation of HR structures, thus allowing faster implementation cycles for HR strategy.

Effectively unlock new ideas by being business, context and organisationally savvy.

(Continued)

Master the art of creating a sense of purpose through harnessing the press, the project and the organisation behind a big idea.

Engender employee engagement by focusing on promoting a culture of accountability, authenticity and adaptability.

It is clear that notions of strategic HRM and HR best practices are being both adopted and adapted by the best HR leaders across the Asia–Pacific region. It is also clear that 'Western'-based HR leaders may learn a lot from these new perspectives on the profession.

Sources: CIPD (2010) *Next Generation HR Asia*. Research Report. Retrieved from: www.cipd.co.uk/binaries/hr-strategies-for-growth-in-asia_2012-overview.pdf (accessed 16 April 2016); Connor, J. (2011) Eastern time. *People Management*, 27 January: 22–25.

DEBATING HRM

Convergence or divergence in HRM practices: implications for international HRM

Read the 'HRM in Practice' box above and access and read the article by McGaughey and De Cieri (1999); it can be found at www.tandfonline.com/doi/pdf/10.1080/095851999340530. You may need to use a Shibboleth login to access this article.

TASK: Split into two groups.

1. One group should research evidence for global convergence in HRM policies and practices and one for continuing divergence in HRM practices.
2. Each group should then outline the opportunities and challenges that either convergence or divergence poses for HR departments and practitioners.

ORGANISING THE HR FUNCTION

How does one organise the HR function to best deliver the dual strategic and operational roles described above? The key dilemma is how one may unburden, or at least significantly reduce the burden on, one's HR professionals from their day-to-day operational and administrative duties so that they may have more time and space to engage more effectively with their strategic roles. As a solution, Ulrich (1997b) outlined a 'three-legged' organising model of the HR function, consisting of integrated HR business partners, HR centres of excellence and HR shared services. More radical solutions to this challenge have also included the outsourcing part of, if not all of the HR function and/or the introduction of new technologies supporting eHR and HR self-service models. These are all briefly described below.

HR BUSINESS PARTNERS

Notions of HR business partnering are heavily contested (Caldwell, 2008). However, the CIPD describes **HR business partners** as key, potentially senior HR professionals who are embedded within the various functions or departments within the organisation so that they may work closely with managers to influence, direct and implement business strategy (CIPD, 2012b). Business partnering is thus viewed as an alternative to the more traditional, centrally located HR professional. It is argued that by decentralising this role, HR professionals are closer to core business functions and can thus better understand business needs and more effectively implement and influence business strategy. Despite these proposed advantages, they are not without their problems. Poor implementation and the problem of creating silos of knowledge – in terms of both the perceived problems and challenges facing the organisation and the solutions developed – have both been cited (CIPD, 2012b). Despite this, Caldwell (2008) estimates that in the UK around 400–600, mainly large, organisations have implemented some form of HR business partnering role.

HR business partners Key (potentially senior) HR professionals who are embedded within the various functions/departments within the organisation so that they may work closely with managers to influence, direct and implement business strategy.

HR CENTRES OF EXCELLENCE

HR centres of excellence are based around the core functional areas of HR practices, for example reward, learning and development, talent management and engagement (CIPD, 2012b). They are made up of highly skilled and knowledgeable HR professionals, and their aim is to add value to the business through innovative developments and solutions within these functional areas (CIPD, 2012b). HR centres of excellence are thus seen as a vital cog in HR's contribution to, and influence on, both the strategic direction of the business and the effective development and deployment of its human capital.

HR centres of excellence The core functional areas of HR practices and expertise, e.g. careers, reward, learning and development, talent management and engagement.

HR SHARED SERVICES

One of the most important trends in organising the HR function has been the introduction, by firms, of an **HR shared service.** HR service centres often take the form of a call centre that is commonly geographically separate from the main organisation and its subsidiaries. Their aim is to centralise and streamline the more administrative roles of the HR function, for example the upkeep of personnel records, although more recent work has suggested that such centres may also have an active role to play in providing more transformational HRM (CIPD, 2012c; Maatman et al., 2010). The centralisation of these more transactional HR activities is said to present a number of benefits including improving the quality and consistency of service to employees and other potential customers; an ability to more easily share best practice across the HR function; reducing costs by avoiding a duplication of efforts; and freeing up time and space for other members of the HR function to focus on strategic-level concerns (CIPD, 2012c).

HR shared service HR shared service centres often take the form of a call centre that is commonly geographically separate from the main organisation and its subsidiaries. The services they provide often (but not solely) focus on administrative activities associated with payroll, recruitment, the upkeep of personnel records and training procurement.

However, shared services are not without their critics (see Cooke, 2006). Some argue that such service centres require a completely new skill set – project management and service delivery, for example – that may not be held by HR professionals, and that investment in these skills may be patchy and costly. Others suggest that such restructuring may potentially create (albeit temporary) confusion regarding people's roles and responsibilities, thus leading to greater inefficiencies, poor customer service, increased costs and low morale in the HR team (e.g. Sparrow et al., 2004). Service centres may also be viewed – by both those working within them and those using their services – as being disconnected from the business and the employees that they support (Maatman et al., 2010). Despite these potential issues, however, a 2007 CIPD survey suggested that around one-quarter of UK organisations may have introduced some form of HR shared service provision (CIPD, 2007).

eHR AND HR SELF-SERVICE

The next logical step in this devolvement or decentralisation of the HR function is to empower or enable individual employees to access relevant HR services directly through sophisticated **eHR** technologies. The services provided by such systems have now gone way beyond the simple upkeep of personnel records, access to application forms or policy documents and on to online holiday requests, absence recording and more recently to online appraisals, CV checking and automated responses to a range of HR enquiries (Woods, 2010b). Again, the principal benefits here are the streamlining and cost savings associated with such systems, as well as the proposed freeing up of time for HR professionals to focus on more added value activities (*Personnel Today*, 2008).

eHR Any HR activities that are carried out via, or utilise, electronic systems, i.e. web-based systems.

However, again, **HR self-service systems** are not without controversy or challenges. Uptake of such systems has been relatively poor and HR departments are failing to keep up to date with new technologies (Woods, 2010b). Moreover, despite having such technologies employees may also be unwilling to utilise them effectively, preferring instead a more traditional interface with the HR function (Woods, 2010b). Such radical moves to streamline large areas of HR responsibility are also viewed as evidence of the further dismantling of the HR profession, with many departments undergoing significant downsizing and deskilling of HR jobs (Legge, 2005).

HR self-service systems The devolvement or decentralisation of the HR function in order to empower or enable individual employees to access relevant HR services directly.

ONLINE STUDY TOOLS

Video case study: Pepco

Solidify your understanding with this example of how a large, complex organisation introduced, operationalised and evaluated a new shared services model of organising their HR. Available via the companion website:

https://edge.sagepub.com/crawshaw3e > Student Resources > Chapter 1 > Videos

DEBATING HRM

The merit of decentralising the HR function

Read the article 'HR business partner competency models: Re-contextualising effectiveness' by R. Caldwell (2008) at www.bbk.ac.uk/orgpsych/staff/academics/caldwell/docs/HRMJ.1748-8583.2008.00071.pdf

TASK: Split into two groups.

1 One group should research the evidence *for* and the other group the evidence *against* decentralising the HR function.

2 Groups should identify case examples of organisations that have successfully decentralised or centralised their HR.

3 Groups should be prepared to feed back and defend their position in class.

OUTSOURCING THE HR FUNCTION

HR outsourcing simply refers to the use of another party to deliver all or part of this function and its services, with various reports suggesting that nearly all organisations have, at some point, outsourced parts of their HR function (e.g. Gurchiek, 2005). Many SMEs may outsource more strategic HR roles, buying in HR consultancy if and when it is needed, rather than burdening themselves with the high fixed cost of maintaining an HR function (CIPD, 2011) (see Chapter 14). Alternatively, and perhaps more commonly, it is the operational and transactional HR activities that are outsourced, by larger organisations, so that they may streamline and rationalise their service delivery while allowing the HR function to focus on more value-added activities (Belcourt, 2006).

HR outsourcing The use of a third party (organisation) to deliver all or part of the HR function and its services.

Outsourcing presents organisations with certain challenges, including decisions regarding what to outsource, whom to outsource them to, for how long and how to manage this relationship (e.g. Sako and Tierney, 2007). As in many areas of HR, there are mixed messages regarding the potential gains of outsourcing the HR function. Although recent research has suggested that promised cost savings rarely materialise (e.g. Cooke et al., 2005) and that many organisations have scaled back their outsourcing activities, there is also evidence that decisions to outsource have again begun to pick up, albeit perhaps cautiously (CIPD, 2011). Table 1.1 lists a range of potential benefits and challenges to outsourcing the HR function.

LINE MANAGERS AND HRM

To some extent the implementation of any one or more of these organising models assumes that line managers will take on a lot more responsibility for implementing and delivering HR activities, solutions and advice (e.g. Budhwar, 2000). As far back