

# Employment Relations

Understanding employment relations

Prepared by Dr. Nourhan Sayed

HRM 624

3rd Lecture

**Lecture (3)**





مجموعة جامعة  
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# Define employment relations

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Employment Relations Employment Relations (ER) covers a broad range of topics relating to the world of work. ER is concerned about the behaviour and interaction of people in the workplace and is primarily associated with the relationship between employers and their employees (Slade, 2002).



ER, IR and HRM are they the same?

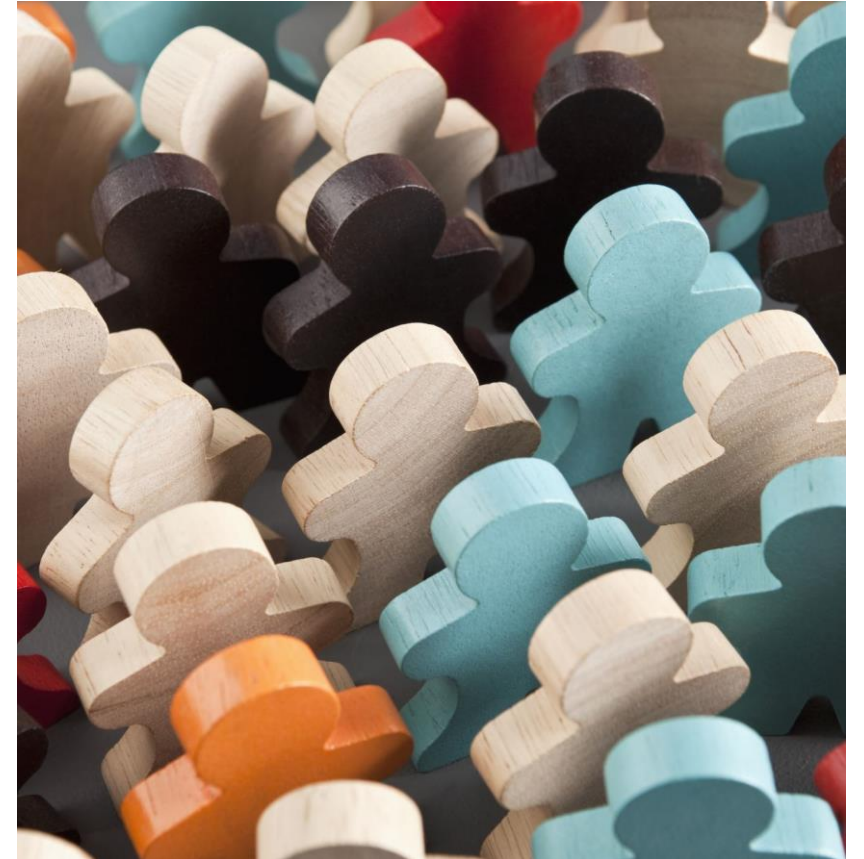
# ER, IR and HRM are they the same?

- The incorporation of a pluralistic frame of reference and the integration of Industrial Relations and Human Resources Management into some kind of whole creates a discipline called 'Employment Relations' (Slade, 2002).



# ER, IR and HRM are they the same?

- It can be argued that Industrial Relations, Human Resources Management and Employee Relations are each representative of differing ideologies. Industrial Relations might be seen as encompassing a set of ideologies that are pluralist in character, whilst HRM is largely unitarist in nature (Slade, 2002).



# Industrial relations and HRM

Table 1.3  
Industrial  
Relations and  
Human Resource  
Management

|                                                                                                  |                                                               |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Industrial Relations (IR) + Human Resource Management (HRM)<br>= Employment Relations (ER)       |                                                               |
| Industrial Relations                                                                             | Human Resource Management                                     |
| Macro and Micro environment                                                                      | Micro environment                                             |
| Recognises that conflict is inevitable                                                           | Cooperation is the main focus                                 |
| ‘Pluralist’ perspective dominate                                                                 | ‘Unitarist’ perspective dominates                             |
| Power relations and the State plays an important role                                            | External environment and its regulatory roles are understated |
| Emphasis on broad social relations at work, including efficiency/equity, rights/responsibilities | Emphasis on the employee life cycle in the organisation       |
| Workers efforts control the relationship and employer response                                   | Management efforts controls the relationship                  |

# Human Resource Management

- Human Resource Management (HRM) is defined as the process of designing management systems to ensure that human talent is used effectively and efficiently to accomplish organisational goals.

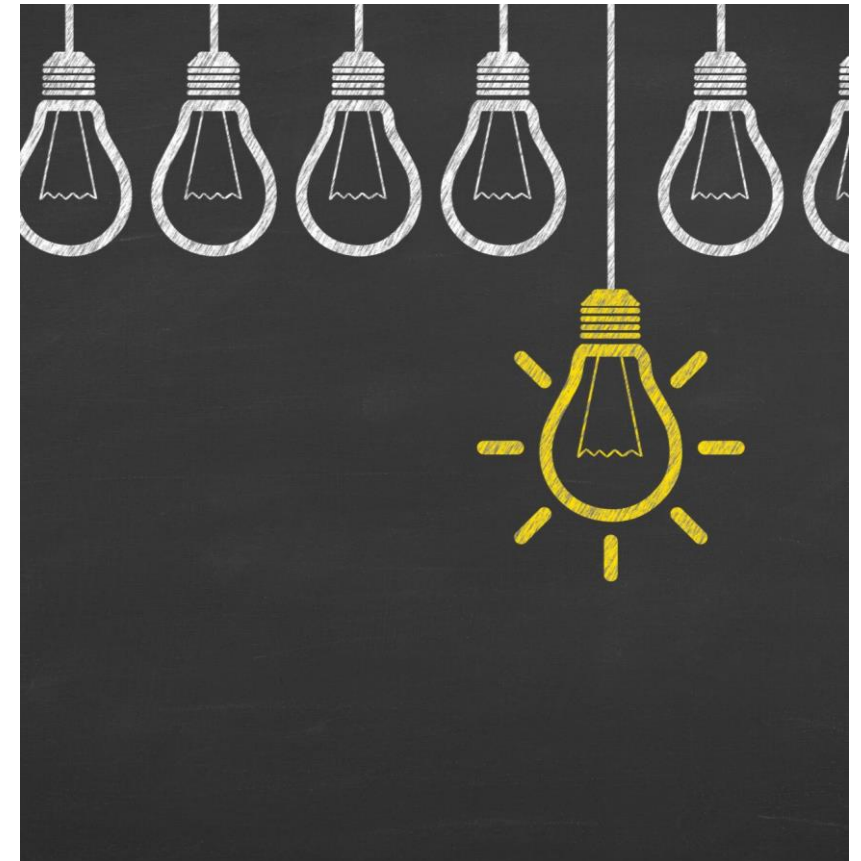


## Human' represents the dimension of HRM which relates to:

- the soft aspects:

such as the commitment of employees through participation and understanding that the most important assets are the employees.

- 'Resource' represents the hard aspects, such as the strategy link of HRM and the importance of the efficient utilisation of employees. "Management" represents the role of HRM as part of management. This implies that it is not only an administrative function that carries out the formulated policies, but it is also a managerial function which contributes to the formulation of strategy



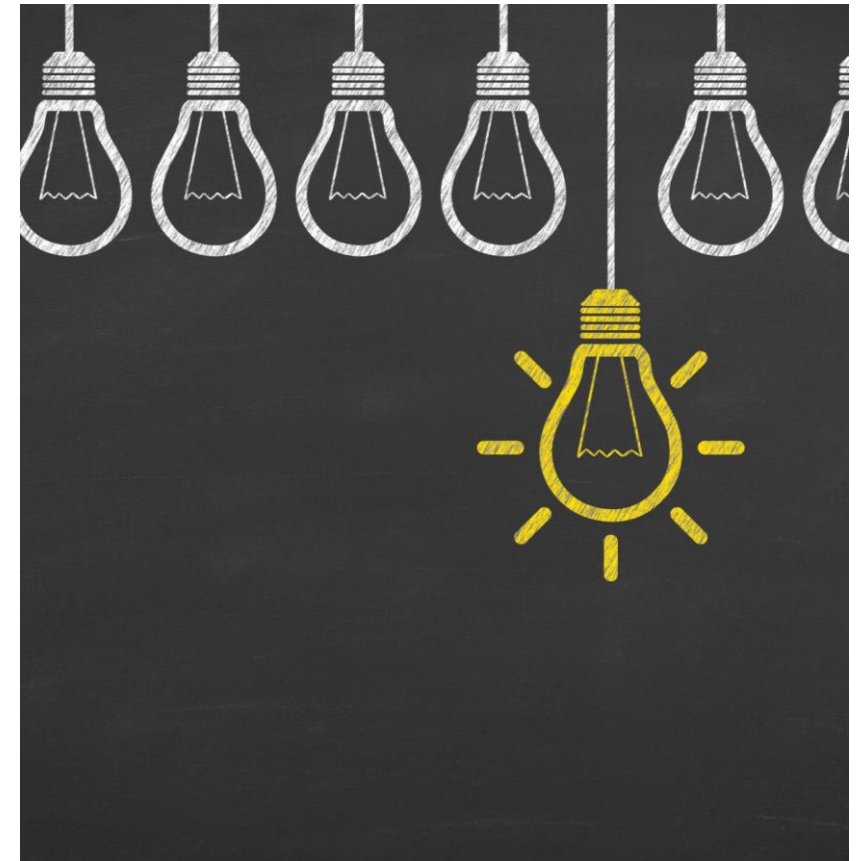
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# Management vs HRM

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# Human resources management view

- HRM sees people as a resource. A resource is viewed (in a business sense) as something that must be obtained as cheaply as possible, used sparingly, developed and exploited as much as possible. As indicated by Kleiman (2000) in this view, HRM is concerned with efficiency and achieving results. Performance management is crucial and tightly controlled employee activities are seen to be the best way for this to be achieved.



# Soft vs. hard HRM

## Soft HRM

Soft (HRM) focuses on people and is associated with the 'human' side of Human Resource Management.

## Hard HRM

Hard HRM sees people as a resource and is associated with the 'resource' side of Human Resource Management.

# Historical developments in HRM

- The first was the Industrial Welfare movement in the 1880s-1940, which led to a shift in the way that managers viewed and treated employees.
- Employees were not just seen as a 'resource', (hard HRM) to enhance the productivity and profitability of the organisation, but more as 'humans' (soft HRM) where their rights and feelings were considered (Storey, 1995).

# Conclusion

- Soft vs hard HRM

# Historical developments in HRM

Another important influence was Frederick Taylor (1911) who outlined management methods for gaining greater productivity from low level production workers.

Taylor's pioneering research involved incentive systems that rewarded employees for their performance.

# Conclusion

- Incentive system is where employees are rewarded employees for their performance.



# Historical developments in HRM

- Elton Mayo's Hawthorne Studies is another pioneering milestone which has influenced the development of Human Resource Management.
- The Hawthorne Studies involved conducting a number of experiments to see how groups of workers reacted in different situations.

(Bruce, 2006; Bruce & Nyland, 2011)

# Conclusion

- The Hawthorne Studies were research experiments conducted in the 1920s and 1930s at Western Electric and involved conducting a number of experiments to see how groups of workers reacted in different situations



# Employment relations and psychological contract

# The Employment Relationship

Lewis, Thornhill and Saunders (2003, p. 6) define the employment relationship as 'an economic, legal, social, psychological and political relationship in which employees devote their time and expertise to the interests of their employer in return for a range of personal financial and nonfinancial rewards'.



# Conclusion

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- Employment Relations is concerned about the behaviour and interaction of people in the workplace



# The psychological contract

- The psychological contract is the expectation that employers and employees have of each other (Noe, 1999) and their working relationship.

# Characteristics of the employment relationship

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1<sup>st</sup>: The Employment Relationship is multifaceted and continuous

# Characteristics of the employment relationship

1<sup>st</sup>: The Employment Relationship is multifaceted and continuous:

The employment relationship is not a simple, straight forward transaction such as buying an apple or a laptop. Instead, the relationship involves people who come from different backgrounds, have different personalities and different needs.

# Characteristics of the employment relationship

2<sup>nd</sup>: The Employment Relationship is complex.

# Characteristics of the employment relationship

2<sup>nd</sup>: The Employment Relationship is complex and involves many dimensions:

such as Economic (unemployment, wages and availability of labour), Social (values, diversity and equity), Cultural (teamwork, power-distance, work-life balance, ageing workforce), Legal (Workplace health and safety, legislation) and Psychological (Emotions and Personality)

# Characteristics of the employment relationship

3<sup>rd</sup>: The Employment Relationship involves mutual responsibilities.

# Characteristics of the employment relationship

3<sup>rd</sup>: The Employment Relationship involves mutual responsibilities.

It is important that both employees and employer carry out their duties and responsibilities. Employer responsibilities include paying wages or salaries as agreed, providing a safe working environment and reimbursing any expenses incurred. Employee responsibilities include obeying reasonable, lawful and safe instructions, working in a competent manner to take reasonable care and not harm employer's interests

# Characteristics of the employment relationship

4<sup>th</sup>: The Employment Relationship includes tangible and intangible elements.

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The tangible elements may include pay, company car and conditions of employment. The intangible elements may include more motivational aspects such as a sense of satisfaction and self-fulfilment.

# Characteristics of the employment relationship

5<sup>th</sup>: The Employment Relationship is indeterminate and incomplete.

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5<sup>th</sup>: The Employment Relationship is indeterminate and incomplete:

It is difficult to provide a definitive list of all aspects involved in the relationship. Also, as the relationship evolves, new terms and conditions of employment are often generated

# Characteristics of the employment relationship

6<sup>th</sup> : The Employment Relationship denotes the importance of cooperation and conflict:

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It is important to cooperate and work with people to develop long-term successful relations. However, the acknowledgement of conflict in the relationship may also help to overcome differences and create new and innovative ways of conducting business

# Characteristics of the employment relationship

7<sup>th</sup> : The Employment Relationship is about balancing power:

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Power should be balanced between the employee and the employer. The involvement of the state and employee and employer representatives helps to ensure that the balance of power exists in the employment relationship.

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# Thank You

