

Employment Relations

Employee relations and human
resources management

Prepared by Dr. Nourhan Sayed

HRM 624

8th Lecture

Lecture (8)



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Lecture Agenda

- Why is Understanding Employee Relations Important?
- Principles of Corporate Culture Development.
- HR Policies, Programs and Terms of Employment.
- The Process of Linking Strategy to Employee Relations and Culture.
- The Ups and Downs of Employee Relations: Managing the Employment Relationship
- Difference Between Conflicts and Disputes
- Sources of Conflict
- Define conflict management
- ER and HRM 5cs for conversion.

Why is Understanding Employee Relations Important?

- To create the most value, there must be alignment between the corporate strategy, corporate mission and corporate values
- An organizations employee and labour relations strategies are shaped primarily by two forces: its senior executives perspectives on corporate culture and its employment relationship

Why is Understanding Employee Relations Important?

- Basically, understanding how an organization perceives and treats its workforce provides an indication of senior managements priorities and how much it values its human capital .
- The development of terms and conditions of work and of policies and procedures is directly linked to the corporate culture, as these terms form the framework for governing the employment relationship

Principles of Corporate Culture Development

- The following issues are key components that management must consider in developing a strong corporate culture:
 1. Shared Values: are developed with the help of employees and articulate what is important to the members of the organization. These shared values are then articulated through corporate norms, stories and corporate symbol

Principles of Corporate Culture Development

2. Learning Dialogue: in order for the values to be accepted, the leaders of the organization must engage members of the organization in an open and flexible dialogue about the importance of the corporate values. There must be a clear link between the espoused values and business performance, including values as a source of competitive advantage

Principles of Corporate Culture Development

3. Organizational Flexibility:

organizations must be flexible in order to respond to changing internal and external environments. Internal environmental factors include the quantity and quality of people within the organization, the structures of work, the terms and policies that guide employment and the corporate culture.

External factors include the domestic and global economy , political environment, social environment , legal environment and the natural environment

HR Policies, Programs and Terms of Employment

All corporate programs must be aligned to the flexible corporate culture. This includes things such as:

- Recruitment and selection
- Rewards and recognition
- Training and development
- Compensation
- Benefits
- HR planning

The Process of Linking Strategy to Employee Relations and Culture

One must consider:

- oAre the key values of the organization clearly articulated?
- oAre the values instrumental in driving organizational performance?
- oDo the organizations employment terms and HR policies reflect and enhance the organizations value-based culture?

The Ups and Downs of Employee Relations: Managing the Employment Relationship

- Once the **new hire** is brought on board and has passed the probationary period, there are many situations where the expertise of HR professionals is required to interpret, moderate, investigate and resolve **employment issues** that arise
- **Conflict** is a regular occurrence that HR professionals must deal with. Thus whether the work environment is union or non-union, HR professionals are required to deal with difficult issues that arise in the workplace

Difference Between Conflicts and Disputes

- Conflict occurs when there is a **mismatch involving expectations**. This mismatch results in friction between the organization and individuals or groups of individuals.
- Disputes: are conflicts that **require action**. They have manifested themselves into some form of official complaint such as a written complaint, grievance or lawsuit.

Sources of Conflict

- **Goal incompatibility:** occurs when one persons or a departments goals are **incompatible** with another person's or department
- **Differentiation:** refers to the possibility that individuals or departments within organizations may have different values, ethics, morals, attitudes, cultures and standards. These differences may lead to conflict
- **Task Interdependence:** refers to the inherent interdependence of individuals and departments on each other. This may involve things such as workflow interdependence and information interdependence

Sources of Conflict

- **Limited Resources**: refers to the conflict that arises due to the availability of **scarce resources**. Individuals are motivated to maximize productivity and minimize their costs.
- **Ambiguity**: involves **unclear** goals, responsibilities, roles and expectations
- **Communication**: involves the **medium** chosen to communicate, the environment where the communication takes place, withholding of information, interpretation of verbal and non-verbal information and cultural differences

What is conflict management

- The concept that not all conflicts can necessarily be resolved by learning how to manage conflicts can significantly decrease the odds of further escalating the situation
- Conflict management involves acquiring skills related to conflict resolution, self-awareness, communication skills and establishing a process for managing conflict in your environment.

What is conflict management

- The five general conflict management styles:

compromising

collaborating

competing

avoiding

accommodating

ER and HRM: 5Cs for conversation

- This section draws on the 5Cs of ‘complexity, context, contingency, causality and critique’ as an organising framework. The 5Cs have been identified as “central to the concerns” of researchers studying the management of people at work.

C1 Complexity

- A common critique directed at HRM is that it provides a sterile account of HRM interventions. Research into HR in some of the top performing firms has found an undercurrent of emergence, highlighting an entangled nature of formal policy and informal dynamics on the shopfloor.

C1 Complexity

- Recognition of a disparity between intended and realised HRM practice has fostered a dedicated line of research founded on the unitarist assumption that this gap can be easily bridged or minimised, largely through more or better management, or via ready-made solutions to ‘fix’ some managerial or organisational deficiency.

C1 Complexity

- An alternative ER approach would suggest that such disparity leaves analysis open to the concept of emergence, informality and complexity, not a defined problem to be fixed but reflective of the diverging interests and structured antagonism at the heart of the employment relationship (Dundon and Dobbins, 2015; Edwards, 1986).

C1 Complexity

- HRM decisions may not always be introduced or enacted as a result of strategic foresight, as traditionally understood, but rather reflect tactical optimums strived for by management, who often fumble or just “muddlethrough” on a day-to-day basis .

C1 Complexity

- A concern with complexity also allows for the informality of practice that substitutes for, or fills, the silences of formal policy .In reality, managers in all organisations navigate between rationality, formality, personal preference and idiosyncrasy as the occasion demands.

C1 Complexity

- A long heritage of workplace studies provides a wealth of concepts related to the “leeway function of rules” or the role of custom and practice .Overall, the dimensions of complexity (emergence, informality and conflicted collaboration) point to a nuanced world of HRM that cannot be collapsed neatly into fixed practices, categories or outcomes .

C2 Context

- With its universalistic emphasis HRM offers scientific insights; however, these can also be independent of both its mode of operation and place of application. There is a tendency to reify and abstract features of organisations, imbuing them with formal characteristics in the pursuit of rational, predetermined goals. Edwards (2005) argues for ‘context sensitive research’ meaning that HRM cannot be dislocated from the totality of political and economic relations.

C2 Context

- These form the enabling conditions for the dynamic fluidity of the employment relationship and a means to conceptually enrich C1, the complexity issue, previously discussed. A focus on macro context enables an understanding of HRM as an ongoing process.

C2 Context

- The mandatory of this approach is evidenced in an era of ‘financialisation’, previously noted, where financial transactions and relationships external to the organisation (and independent of physical products or services), are considered to be defining the employment relationship. This context exposes the deficiency of imposing a biased preconceived ideal of HRM.

C2 Context

- Likewise, employees are not passive recipients of HRM. Needs, demands and previous experiences of employees, including gender and feminisation, are all important factors that will inform the nature of HRM and the way it is applied under segmented labour contexts .

C2 Context

- For instance, when examining employee voice in SMEs, Wilkinson, Dundon and Grugulis (2007, p.1291) refer to the “paradox of organisational action”, whereby “social actors inject their own interpretations, meanings and interests which results in a more complex set of social interactions associated with managing human resources”.

C2 Context

- Contextual issues such as the extent of pay dispersion, the size of a firm or the nature of ‘give and take’ on a shop floor may hold greater import in understanding employee experiences of work than (pre)judging them on a narrow or predefined number of formal HR practices in place.

C2 Context

- This discussion of context suggests that in order to give meaning to debates, HRM researchers might pay greater attention to work rooted in the traditions of understanding the institutions and systems of work and employment inequalities, while appreciating contextually grounded definitions that are more sensitive to local interpretation and variance.

C3 Contingency

- Except in the form of moderators or limited ‘control variables’ (e.g. age, sector, unionisation), HRM has been slow to engage with the impact of key contingency variables.
- More traditional research has long pointed to product market competition and labour market conditions as fundamental to appreciating employment relations. In introducing an emphasis on management actions, HRM has served to overplay managerial rationality and decision-making capability and underplayed constraints or structural realities.

C3 Contingency

- This is most obvious in the limited attention HR scholars have paid to the impact from the likes of legal regulation, trade union modernisation or informal modes of labour resistance and misbehaviour on ER (van den Broek and Dundon, 2012).
- An emphasis on contingencies in this situation is not analogous to the over-simplified contingency or best fit matching models of the 1980s, but is rather an appreciation of the necessity for research to allow for, and accommodate, uneven dynamic interventions between a firm, its environment and among its stakeholders.- making capability and underplayed constraints or structural realities.

C3 Contingency

- Kaufman (2010) has made a strong case for a demand-driven conception of HR, noting that researchers should be less consumed by whether a certain type of HRM is inevitable or the degree of investment in a practice, and instead focus on the more “fruitful problem” of developing theoretically informed accounts that consider patterns of diffusion and the actual practices utilised.
- The desired performance outcome of firms is also likely to be a relative concept, wherein financial performance or profit maximisation may not always be objective criteria owing to differences in context (e.g. sector or ownership types) and complexity (e.g. informality).

C4 Causality

- Alternative modes of understanding in HRM including more intensive and longitudinal research would ensure that explanatory accounts are privileged, that processes of HRM in firms are adequately contextualised and that complexity is accommodated. Ultimately HR practices and rules have to be interpreted in action .

C5 Critique

- In addition to the 4Cs suggested by Delbridge and Whitfield (2007), the role of immanent critique is a fifth 'C' that ought to be of concern for HRM researchers. In one respect this may seem obvious; however, much of the normative HRM model, coupled with a prescriptive and managerial bias in a lot (although not all) of its teaching in mainstream business schools, mean a conversation about critical reflection is warranted .

C5 Critique

- Immanent critique and the problematisation of extant HRM acts not only as a basis to position research but also serves as a reflexive process to ensure HRM researchers do not automatically perpetuate the status quo .

ER and HRM (Discussion & Recap.)

Linking this chapter to previous chapters that enclosed

- Employment relations + characteristics of ER
- Industry relations
- human resources management



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