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The state of human resource management: evidence from employees' views of HRM systems and staff

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Keywords *Human resource management, Employees, Staff, Systems analysis*

Abstract *Recent research exploring a range of arguments about trends in human resource management (HRM) provides contrasting evidence in evaluating the state of HRM. Methods using either fit with "best practice" or fit with contingencies as ways of evaluating the state of HRM have been foremost. Investigating the employees "point of view" has been proposed as an alternative in some recent studies. The research reported here is based on this alternative method. It describes employees views of HRM in their organisations based on a survey of 2,632 employees in 73 companies. The findings are that employees report areas of strength in HRM that include training and development, rewards, and levels of personal motivation. Employees also rate the performance of HR staff highly across a range of services. Noticeable areas of weakness in HRM, in employees' estimations, exist in the management of staffing levels, aspects of recruitment and retention, communication, and with levels of morale in the organisation as a whole. These findings justify a mixed but overall positive picture of the state of HRM. The problems of analysing employee views of HRM in this type of study, to address arguments with evidence, are considered in conclusion.*

Introduction

Issues in evaluating HRM systems and staff

The concern is with obtaining evidence to evaluate arguments about the state of human resource management (HRM) in companies and its relationship to performance. This has recently been called the "black box" problem (Purcell *et al.*, 2000); assuming that there is a relationship between success and HRM systems, how does that come about, what is actually happening in organisations to get results? HRM here refers to the totality of people management practices found in organisations, not to a particular and distinctive approach to the philosophy and practice people management. Evaluation is concerned with making judgements about the merits and value of HRM systems and HRM staff.

This concern has come to be manifest in different interpretations about the extent to which contemporary HRM is being well or poorly practised. Interpretation is concerned with explaining the causes and effects of the strengths and weaknesses of HRM which are argued to exist. The rationale for this is a dual one; on the one hand it is directed towards analysing the contribution of HRM to overall company performance (Woods, 1999; Purcell, 1999; West and Patterson, 1998). On the other hand it is about evaluating HRM

systems and staff themselves, interpreting what is in effect the “nuts and bolts” of HRM (Guest, 1999; Baruch, 1997), the HRM systems and services experienced by employees in the course of employment. Purcell *et al.* (2000) provides an example of the convergence of these streams of thinking.

The most common approach to evaluating and interpreting HRM in the latter sense has been associated with the development of “best practice” frameworks in HRM. Effective HRM is seen to be about implementing best practice; ineffective HRM is a consequence of failing to implement best practice (Pfeffer, 1998). The “black box” is packed with templates for good practice. These elements of best practice may be related to discrete HRM systems and services, such as recruitment and selection, or they may be related to more holistic models of HRM. The method is to compare actual systems and services provided against the ideal, prescriptive models (Poole and Jenkins, 1996; Hiltrop, 1996). Examples in the recent UK context of this would be the development of “competency” approaches in employee resourcing (Boam and Sparrow, 1992), the development of standards in employee development such as “Investors in People” (IDS, 1996) and frameworks of “Partnerships with People” in employee relations (Dti, 1997).

With reference to holistic models of HRM, the work of the Personnel Standards Lead Body (PSLB, 1994) remains a representative, if problematic (Gibb, 1995) attempt to provide a framework and rationale for “benchmarking” HRM as a whole. The work of Standing (1997) in attempting to define and operationalise a “good human development firm” is another illustration, developed with a view to providing an internationally valid template. This approach often has as corollary concerns with defining an “ideal” type of HRM, specific roles for HR staff functions and general philosophies. The merits and de-merits of the particular holistic prescriptive ideal provide the ultimate focus of evaluation (Ulrich, 1998).

The main alternative to such best practice definitions of systems and staff performance in HRM has been to provide what amounts to a “contingency” view. In this approach HRM systems and staff performance are argued to be definable and open to evaluation only in relation to different types of firm (Lahteenmaki *et al.*, 1998), different types of “strategy” (McKinlay and Starkey, 1992; Cooke, 1993; Tyson, 1995) or different types of environment (Woods, 1999). There cannot then be one common ideal type of HRM system or HRM service model against which to evaluate practice. There are instead a range of choices which are appropriate in different circumstances. Effective HRM systems and staff performance is about matching these contingencies; ineffective HRM results from failing to match with the appropriate contingencies. The “black box” will contain different things in different organisations.

Some examples of this kind of analysis would be evaluating HRM performance in the context of the circumstances of small and medium sized firms rather than in large organisations (Voves, 1996), in developments in HRM consistent with “quality” initiatives (Marchington *et al.*, 1993), in the context of

different forms of “strategic HRM” (Hendry, 1995), and in the context of changing labour market environments (Cappelli, 1999).

The method of the contingent approach is to propose that effective HRM systems and services can and should vary, with the ultimate evaluation criteria being the extent to which HRM systems and services “match” with some critical factor or factors. This contingency approach has as an important corollary a concern with determining “typologies” of HRM systems and staff; historically in the analysis of types of “personnel management” (Tyson and Fell, 1986), more recently in the analysis of “types” of HRM (Poole and Jenkins, 1997; Torrington and Hall, 1996). HRM systems and services can then only be evaluated in terms of the uptake and implementation of the appropriate type of systems and services, not in terms of generic ideals.

The modelling of HRM systems and services arising from either of these approaches can be argued to be theoretically and practically flawed, and studies which draw upon them to evaluate HRM can be seen to be methodologically flawed (Woods, 1999). On the one hand, adopting universalistic best practice can just lead to the promulgation of prescriptive and normative recipes for success. This may involve transplanting the experiences of multinationals to small firms, transplanting private sector practices to public sector contexts, or in transplanting practices across cultures with the examples often being of “Japanese” or “US” or “European” practices transplanted to other cultures. The problems and difficulties encountered with such transplants can be substantial.

On the other hand, contingency approaches are often seen as being too preoccupied with questions about which contingencies to be concerned with, and how to characterise the options available. For example, should “strategic fit” or “environmental fit” be the prime concern when determining the type of HRM systems and services to be adopted? That is, should different types of HRM be based primarily on matching with different organisational strategies, or on matching with different kinds of environment? The seemingly countless ways of characterising many different approaches to HRM that can result, given the different mixes of contingencies that real organisations face, are then a problem to understand and to apply.

The methodological weaknesses common to both perspectives are partly rooted in the sources and forms of data gathered. Data sources on the state of HRM are typically surveys of the views of individuals in organisations; either personnel professionals responsible for people management policies or senior managers concerned with the business as a whole. Both these groups will have constrained and self-interested views in providing information about HRM systems and services, and in evaluating their organisation’s implementation of either best practice systems or contingent HRM. They will provide subjective rather than objective evidence.

This produces two weaknesses. On the one hand there is the evaluation of HRM which amounts to comparison with a theoretical ideal, which itself may or may not be deemed valid and reliable. The conclusion is, nonetheless, about

a mapping of the distance between organisational practice and the normative ideal. On the other hand the contingency approach requires the determination of fields of contingency within which it is necessary to evaluate HRM in particular organisations, or sectors, or countries. Deciding about the extent to which actual HRM matches or does not match these contingencies is the main conclusion. For the best practice approach the issue of measurement becomes bound up with the fitness of the model and its wider adoption as a standard for evaluation. For the contingency perspective the issue of measurement becomes associated with fully picturing the ecology and evaluating the impacts of change in those terms.

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An alternative approach

The case for listening to what employees have to say about HRM in practice as it is implemented has always been strong for organisations themselves. Taking subjective views on how effective reward management is, or how well training has been delivered, or how “morale” stands is in many organisations a formal and structured activity, and in others a more informal and unstructured activity. The case for collecting similar data, obtained from exploring employees’ views of HRM systems and staff, from many organisations to evaluate the state of HRM in general is more contentious, but has been raised in some recent studies. It has been highlighted as an approach that can help provide, at least, some triangulation to inform analysis of general arguments regarding the evaluation of HRM “rhetorics and realities” (Guest and Peccei, 1994).

Anticipating what attitudes employees might have about HRM there are two general arguments. First is the argument that there will be negative attitudes among employees; that their views about the performance of HRM in practice will be critical and negative, tending to see current HRM systems and practice as poor. Whether this is because it is already “known” what effectiveness in HRM is all about, but few organisations act on what is known (Pfeffer, 1998) or because of insufficient conceptual coherence or empirical clarity to properly attain high performance standards of HRM (Storey, 1995; Legge, 1995). Employee attitudes towards HRM are likely to be negative as the experience of HRM is likely to be one of poorly conceived and executed policies and procedures unconnected with what employees want and need within organisations. Going further some would argue that the position is indeed worse; with modern HRM involving organisations attaining higher corporate performance standards by taking advantage of employees goodwill and commitment without giving much, if anything, in return. Data from employees should then reflect these dissatisfactions.

The other argument is that there will be positive attitudes towards HRM systems and staff; employees will perceive and appreciate the good performance of HRM policies, procedures and practices. The grounds for this view would be that historical problems in investing in people and in adversarial employee relations have been overcome, along with greater

sophistication in employee resourcing processes. Taken together these purported “sea changes” should be reflected in the views of employees constituting a positive evaluation of contemporary HRM.

Data on employees views of performance in HRM in this sense, studies of the attitudes of employees on HRM systems and staff in practice, is under-developed in the UK and elsewhere. Typically employee views are studied, if at all, in the course of company case studies, using mainly ethnographic methods. Major research surveys in the field of HRM have not included the analysis of attitudes about HRM systems and services in practice. One recent exception is the latest Workplace Employee Relations Survey (WERS) which is one potential survey resource (Cully *et al.*, 1998). The latest WERS does incorporate some findings on employees’ views, but these relate to issues such as views on loyalty, commitment and pride, and involvement in decision making, matters of interest within the field of employee relations. The general conclusion of WERS is that harmonious employee relations are seen to be the norm, with widespread “satisfaction” at work; findings which run counter to much of the spirit of other evaluations and interpretations of trends in HRM.

In the UK other labour market and skill trends surveys provide another potential source of data on the “experience” of HRM (DfEE, 1998; Partington, *et al.*, 1997). The data here typically cover a wide range of the quantitative aspects of employment, related to staffing matters and training, but do not include much about individuals’ experiences. The purpose of this research is such that the need to consider HRM from any other perspective is excluded. The surveys provide longitudinal data on empirical aspects of employment, which can be interpreted in terms of empirical standards (for example levels of reward, amounts of training provided) from a quantitative perspective.

Another potential source of such data is the Institute of Personnel and Development, which conducts a national Employee Attitudes survey (Baillie, 1999). However this survey is largely concerned with exploring aspects of what has been called the “psychological contract” between individuals and organisations, rather than people’s experience of standards of HRM systems and services. The survey is concerned with issues like loyalty, trust and satisfaction, rather than analysing the specific attitudes of employees towards concrete elements of HRM and the standards of them.

Where research has been done some claim that evidence supports a view that employees’ views are “surprisingly positive” (Guest, 1999); employees who have been on the “receiving end” of HRM practices like them. Guest bases his analysis of the “worker’s verdict” on HRM on the IPD survey mentioned above. Others suggest that a more critical evaluation is more accurate, drawing upon mainly case study examples (Mabey *et al.*, 1998). Given these differences in evaluations using existing evidence, further research needs to be provided and analysed. The issues involved in that need to be considered prior to presenting and analysing actual data.

The benefits of exploring employees' views

The option of exploring the “experience” of HRM systems and staff from the point of view of the people on the “receiving end” seems to provide an alternative way of evaluating HRM. Exploring the quality of employees’ direct experience of HRM is argued to have three specific benefits. First is the benefit, in theory, that such an approach can help to counteract the effects of “managerialism” in evaluating HRM systems (Mabey *et al.*, 1998). Managerialism can mean a range of things. The most common sense denotes the adoption of an exclusively “management” perspective or worldview on defining and understanding HRM systems and the value of HRM policies.

Such a worldview, whether it be framed in best practice or contingent terms, is seen to reflect and incorporate only one stakeholder’s considerations and interests; short-term, “bottom-line”, cost and performance concerns. The consequence of this is argued to be a clouding and distorting of description and analysis in considering HRM systems and services. It means that the “voices” and interests of other stakeholders, including the individuals “subject” to HRM initiatives, are not heard. Obtaining and analysing the views of employees can then be seen as a way of evaluating the extent to which key claims about whether the contemporary state of HRM represent the provision of real benefits for workforces or reflects the intensification of exploitation and injustice in the workplace.

Another benefit is to counter the often “economistic” theories underpinning both best practice and contingency analyses. This is manifest in a framework which seeks to describe and consider HRM systems in terms of the course of rational decision-making behaviour drawing upon information about costs and benefits (West and Patterson, 1998; Cooper, 2000). The axiom that HRM can be analysed in terms of costs and benefits is common enough. Whether the orientation is cost reduction or on “value-adding” the underlying theory is an economic one; that a utilitarian balance of costs and benefits is the framework to be adopted for measurement. That much is stating what is “taken for granted” by many researchers and practitioners, whether they agree with or take issue with its consequences, and whether they are best practice or contingency oriented.

The point is that economic measurement can exclude or preclude other perspectives. The apparent “utility” of the evolution of flexible workforces, performance pay systems, constructs like “investing in people” and “human capital”, and interpretations of employment as an economic exchange relationship between buyers and sellers are all “obvious” mainstream issues and concerns. What is often missing is the sense in which this “utility” of developments in HRM is indeed based on a theory. The theory is that the economic perspective best illuminates the truth of what is happening, and what the choices are, and must therefore be the pre-eminent influence on decision making. Yet there is more to describing and evaluating HRM systems than aggregating the sums of many costs and benefits together in a figurative or literal human equation. Good HRM systems and services cannot be evaluated

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without regard to other forms of information, without understanding “people as people”.

A final benefit, which emerges from the above, is to be claimed in that the type of research needed can be a lever for re-introducing the “human dimension” to studying HRM. In an era where there has been an increasing concern with studying HRM in the context of “contributing to the business”, and where change in the form of “globalisation” and the contingencies of “international HRM” (Bamber and Lansbury, 1998) appear paramount, it seems timely and necessary to re-emphasise the value and validity of thinking about HRM systems and services as involving actual people in local realities (McCarthy, 1994). Exploring the local reality of the basic “human experience”, how the subjects of HRM perceive and evaluate their experiences of HRM systems and services, is a necessary counterpart to the metaphysics of HRM.

The conclusion is that a valid approach to evaluating HRM systems and services can be taken by considering the views of employees. For some such data collection can, in itself, help clarify in a pragmatic way what needs to be done regarding HRM performance in practice in organisations from a “customer’s” perspective (Smilansky, 1997). For others the feasibility and value of adopting this as an “internal marketing” approach to HRM has been critiqued (Hales, 1995). Here the argument is that such an approach presents an option which can help counter the limitations of managerialism, the influence of economic thinking, and the muting of the voices of “people” in research about evaluating HRM.

Such an approach has benefits but does not seek to displace best practice and contingency analyses. Each of these has a role to play in seeking the truth about HRM effectiveness. It can have a role in enhancing “triangulation” on evaluations of the HRM systems and services being used in the context of “corporate best practice” or contingency approaches. If employees judge HRM systems and services to be good, then something of HRM systems and practice can be deemed to be successful, whether they be otherwise justified on corporate best practice or contingency grounds. If employees judge HRM systems and services to be poor then something of HRM practice can be deemed to be failing, despite the justification otherwise on best practice or contingency grounds.

The research

The absence of existing data sources meant that original research was needed to develop a survey instrument and to obtain data from a representative population. The approach adopted was to develop a survey, which included 15 items on a range of aspects of HRM systems.

Staffing matters

- (1) We get the right person for the job.
- (2) Recruitment procedures are carried out in a fair and consistent manner.

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- (3) Staffing levels are maintained at adequate levels.
 - (4) We retain the right people.
 - (5) The pay and rewards offered are fair.

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Training and development

- (6) The organisation is committed to developing all its staff.
- (7) There are sufficient training and development opportunities available to me.
- (8) My performance is reviewed regularly and relevant development needs are identified.
- (9) The training and development I have received has helped me improve my performance in the job.
- (10) The standard of training facilities and courses provided is high.

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Relations at work

- (11) I feel motivated at work and get job satisfaction.
- (12) There is good communication between managers and employees.
- (13) Our policies and procedures for encouraging employee involvement at work are effective.
- (14) The way that discipline and grievances are handled is fair and consistent.
- (15) The organisation manages to promote good relations and high morale at work.

The 15 items were developed by considering textbook concerns regarding HRM systems, and validated in the course of reviews of the primary aspects of HRM systems with HRM practitioners from a variety of organisations. These 15 items provided broad but concise coverage of all the core areas of HRM systems that matter to employees; namely items in employee resourcing and staffing, employee development and employee relations. To be manageable the survey was restricted to five core items each for issues related to employee resourcing, employee relations and employee development. The scale used was a five-point Likert, to enable attitudes towards aspects of the performance of HRM systems in their organisation.

The effectiveness of HR staff was also measured by obtaining respondents' views on performance of 14 items related to HR staff performance:

- (1) approachability;
- (2) helpfulness;
- (3) respecting confidentiality;
- (4) knowledgeable;

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- (5) customer focussed;
- (6) providing H&S advice;
- (7) providing terms/advice;
- (8) prompt;
- (9) providing general advice;
- (10) maintaining records;
- (11) implementing policies;
- (12) managing recruitment;
- (13) managing absence;
- (14) managing appraisal system.

A Likert scale evaluating attitudes towards the performance of the HR staff was used here as well.

The survey results come from 73 organisations (see Table I), and include responses from 2,632 employees, including employees in management roles. The sample of organisations was selected from organisations which had HRM practitioners studying part time on a Diploma/Masters in HRM course. Arrangements to conduct the workplace survey were handled by liasing with these contacts within their companies. One issue with this sample is that it may over-represent companies who were sufficiently concerned with HRM to provide their HR staff with professional development.

The views of employees might therefore be, in general, influenced by experiencing this investment in HRM. As the sample is restricted to organisations in the West of Scotland as a region, with its socio-economic profile and employment relations traditions, there may also be limitations on the generalisability of findings. However, the range of companies covered,

Workforce size	< 1,000	62%	> 1,000	48%
Sector	Public	34%	Private	66%
	LA	6	Manufacturing	20
	NHS	3	Electronics	6
	Agencies	4	Retail	3
	Other	12	Service	13
			Utility	6
Unit	Whole organisation	55%	Other	45%
Specialist personnel staff	Yes	91%	No	9%
Personnel function Development	Centralised	16.5%		
	Decentralised	17%		
	No change	76.5%		
Personnel staffing levels	Increased	25%		
	Decreased	23%		
	No change	52%		

Table I.
Companies in the
survey

representing the traditional industries and services, the public sector and the newer industries, are a reasonable cross section of those to be found in most regions. Another issue with such surveys is the effect of having HR staff participate in their completion; as confidentiality of responses was assured the negative effect is reduced, but knowing that the organisation will see the overall results could have a positive effect.

The profile of the respondents to the survey is given in Table II. For the purposes of this survey all staff, including managers and professionals, were treated as “employees”; that is, they were asked for the views as subjects of HRM systems and services, not as people with some responsibility for practising HRM themselves. In small organisations all the staff were surveyed. In others a sample of employees in each organisation was selected at random, and they were sent postal survey forms. In some organisations specific divisions/departments were targeted; in medium sized and in larger organisations samples of at least 10 per cent of staff were surveyed, or selected divisions and departments were targeted. Response rates were very high, with none lower than 81 per cent. While HR staff were involved in the liaison, the survey was confidential; respondents knew that their results would be used to investigate the companies performance as well as contributing to a larger survey.

In addition to developing and exploring the 15 items, a number of variables relating to personal factors of respondents, and the organisational characteristics and aspects of the organisation of HRM services of their companies were considered. The mean sums for respondents to the survey items, for each of the three main sections, and for the survey as a whole are given in Table III.

The top and bottom performers, in employee views of HRM systems, in the survey as a whole are given in Table IV.

For employee views of HR staff effectiveness Table V provides the means and Table VI shows the top and bottom-rated companies.

	%
<i>Gender</i>	
Male	56.5
Female	43.5
<i>Age</i>	
Under 35	48.3
Over 35	51.7
<i>Service</i>	
Under 10 years	57.1
Over 10 years	42.9
<i>Jobs</i>	
Managerial/professional	39
Other (manual, clerical, misc)	61

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Table II.
Survey respondents

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Factors (Min = 1 Max = 5)	Mean (Ranked)
Motivated	3.36
Training improves performance	3.35
Recruitment procedures	3.34
Training opportunities	3.28
Discipline and grievances	3.22
Committed to development	3.20
Standard of training facilities	3.16
Performance reviewed	3.06
Pay and rewards	2.93
Employee involvement	2.89
Communication	2.85
Right person	2.77
Retention	2.72
Staffing levels	2.70
Relations and morale	2.52
<i>Sections</i>	
Training and development	3.20
Employee relations	2.97
Staffing matters	2.90
<i>Whole survey</i>	
All Items	3.02
Public	3.01
Private	3.03
Manager/professional	3.16
Other	2.94
Male	3.01
Female	3.03
Small	3.27
Medium	3.08
Large	2.98
Very large	2.99

Table III.
Means for indicators

Organisation analysis			
Bottom (Min 15)		Top (Max 75)	
Mean	Organisation	Mean	Organisation
36	AeorengineCo	66	CarehomeOrg
	ManufactureCo	58	RetailCo
	Council1	56	ManufactureCo
37	Council2	54	HousingOrg
39	ShipbuildCo	52	BankCo
	ElectronicsCo		PowerCo HO
	GasesCo		

Table IV.
Best and worst
organisations re HRM
indicators

Item	Mean	Ranking	The state of human resource management 329
Approachable	4.01	1	
Helpful	3.92	2	
Confidential	3.91	3	
Knowledgeable	3.75	4	
Customer focussed	3.55	5	
H&S advice	3.51	6	
Terms advice	3.50	7	
Prompt	3.50	7	
General advice	3.45	8	
Records	3.37	9	
Policies	3.35	10	
Recruitment	3.27	11	
Absence	3.26	12	
Appraisal	2.95	13	

Notes: Minimum = 1; Maximum = 5; Mean all items 3.77

Table V.
Means for HR staff effectiveness

Top (Maximum = 70)		Bottom (Minimum=14)		Table VI. Top and bottom ranking organisations for HR staff effectiveness
Mean	Organisation	Mean	Organisation	
66	Careorg	44	Council1	
61	Manuco	45	Leisureco	
60	Retailco	46	Council2	
60	NHSorg	46	Distributeco	

An alpha test was run to determine the extent to which a construct, hypothetically of HRM performance as experienced by employees, was being measured by the 15-item survey. The alpha was 0.90. This does suggest that the survey as a whole was consistently measuring respondents attitudes towards an underlying construct, and that the survey results can be taken as a good measure of a construct of performance in HRM.

Data analysis

The data indicates that there is a broad pattern across all the organisations and sectors, consistent over different organisation size, respondent gender and job role; employees are neither positive nor negative in their evaluations of HRM systems. The means for the 15 HRM system items show that employees' attitudes towards key elements of HRM performance are, broadly "neutral". These evaluations of HRM systems do not indicate support for either the argument that current HRM systems are good or the counter argument that current HRM systems are poor.

The area of greater strength within this overall picture is in training and development (T&D). In the area of T&D employees tend to agree that employers are committed to training, that there is sufficient training provided, that performance is reviewed effectively, that training is effective, and that

there is a high standard of facilities. This would seem to reflect well on the emphasis given to investing in people, and the effectiveness of that investment in and employees' estimations. Employee resourcing and employee relations are perceived as weaker.

Aside from the broadly neutral responses in other areas, which are in themselves significant in the context of "best practice" and contingency critiques of modern HRM, there are some noticeable weaknesses. In the area of employee resourcing employees indicate that while pay and recruitment procedures are fair they indicate that staffing levels are considered inadequate, and that the right people are often not recruited or retained. In the area of employee relations all respondents indicate they are motivated as individuals, but feel that there is not good communication in the organisation, that employee involvement and participation is not effective, and that morale is consistently perceived as low in the organisation as a whole.

It is notable that, despite morale being consistently estimated as low, a neutral or favourable view of HRM performance in other areas and aspects was sustained. This suggests that estimations of the effectiveness of HRM systems based on a summative assessment of the "general satisfaction" of the workforce cannot be correlated with effectiveness in HRM. Even though they are "unhappy", employees may still be experiencing effective HRM.

On the other variables which were controlled for, line manager involvement in HRM was not a significant predictor of evaluations of HRM systems. Overall, and in staffing and development, HRM performance is rated as higher in those organisations which had centralised their personnel function. The decentralisation variable was also marginally significant in the staffing and relations equation, suggesting a contradiction. It may be that what is being seen here is that any kind of HR re-organisation can have an impact on employees' perception of HRM systems effectiveness. Certainly, in the experience of employees, these findings provide no support for the idea that decentralisation and greater involvement of line managers in HR decisions makes for higher performance of HRM.

All but one of the items suggest that the standards of HRM practitioners are in the range of "sufficient" to "good". This consistency across the provision of services and qualities would indicate that employees have a favourable view of the work of HR specialist staff. In matters of concern to "end-users" HR specialists appear to attain good evaluations. This would seem to contradict the views of those who see HR specialists as suffering from an inherent "credibility" problem (Legge, 1995). The credibility of HR specialist staff is fairly secure in the estimation of these employees.

There are no specific patterns emerging which differentiate between organisations in which HR specialist staffs are better and those organisations where employee evaluations of HR staffs' standards are more critical. In itself this finding questions some other theories and assumptions often made; about, for example the influence of firm size and sector, particularly public sector versus private sector, as being significant factors influencing the

standards of the HR function. The diversity of HR staff experiences, with some organisations increasing staff levels while others were decreasing them, also suggest that patterns of change in the provision of HR services are not as uni-directional, towards a decline in numbers and outsourcing, as some have suggested.

There is no scope to enable an analysis of the relationship between these employee evaluations of HRM systems and staff and the organisation's overall performance. Data on organisational performance was not obtained. The findings on HRM systems and HR staff can, however, be correlated. The main finding here is that evaluations of the performance of HR specialist staff are generally higher than estimations of the performance of HRM systems in the organisation itself. Where HRM systems are estimated as poor by employees, HR staff are evaluated as being good; where HRM systems are estimated as high by managers and employees, HR staff are evaluated even more highly.

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Discussion

The main issue was to investigate whether obtaining employees' views could provide clear and useful data on HRM systems and services. The findings do produce a normal distribution pattern, with the typical evaluation at the mid point, according to this study. A clear contrast and gap between those who score best and those who score worst (see Table V) does indicate that employee evaluations will also differentiate between the best and the worst. Evaluations and interpretations of HRM can then be achieved by obtaining the employees' point of view; though the validity and reliability have to be questioned.

According to this evidence there is no reason to be overly critical about poor HRM or overly congratulatory about a sea change towards good HRM in practice in current organisations. There is some scope for suggesting that the HRM agenda in employee relations should have a higher priority, and some scope for suggesting that there has been a successful management over much of HRM in recent times. In employee relations matters this survey reinforces the findings of WERS in the field of employee relations, though it also suggests there is a clear challenge in the field of improving morale at work. It also reinforces the conclusions of Guest (1999) that employee evaluations of HRM do not back up the strongly critical interpretations of the effects of modern HRM on employees proposed by some.

The main conclusion is that by improving across all aspects of HRM, or by concentrating on some of the weaker areas identified in the survey, particular organisations can expect to be able to address weaknesses and build on strengths. The question of improving "morale" is established as the greatest weaknesses in employees' estimations. The currently high estimations of training and development perhaps suggest that further improvements here are a lower priority, from the employees' perspectives. The impact of initiatives further focussed on improving training and development will be limited using this measure. This does not mean that the need to sustain or

improve standards here is not an issue. It just means that it is less of a concern than other aspects of HRM. From a good practice or a contingency perspective the need to invest more in training and development may still be highlighted; but doing that will not improve employees' estimations of HRM systems and staff.

The survey is limited to providing one snapshot of HRM systems and staff based on employees' current perceptions of performance in HRM in the UK. Further interpretation would require supplementary interviews and case studies, to explore the validity and reliability of taking employees' view of performance in HRM. Illustrating what is good about good companies and poor about poor companies would also need to be set in the context of actual organisational performance. This could provide more scope for identifying relevant themes and factors in either revising best practice or contingency forms of analysis.

Obtaining comparative data from other countries on employees' views of HRM systems and staff is also a logical avenue of further research. That could help researchers to better gauge claims made about the contribution of different philosophies, systems and approaches to HRM. These are not currently being investigated in the light of the evaluations of employees, an apparently valid and useful basis for such judgements about merits and weaknesses.

Such research can complement the data obtained from surveying HR specialists and general managers on the performance of HRM, and enable a more robust evaluation of performance and performance issue in HRM. This could help bring greater realism to the evaluation and interpretation of trends and change in organisations. It can also help identify priorities for practical reform at an organisational and a macro level.

From the comments made in the survey employees appear to use a combination of "personal" qualitative knowledge of their locality and its contingencies with an understanding of ideal or absolute standards to evaluate HRM systems and staff. The comments made in the survey suggest that employees possess a "memory" and understanding of HRM which is partly self-interested, partly drawn from their common organisational experiences, and partly based on a knowledge of HRM in general.

Certainly the organisations which participated in the survey claimed to have learnt useful lessons from the survey, suggesting that a focus on identifying and meeting the needs of employees, through such research, is indeed relevant and practical. However, this form of stakeholder analysis can be seen as conceptually limited. This is because the way in which employees can be mapped as stakeholders can vary significantly. Below is a range of characterisations of employees as stakeholders in HRM:

- *Customers.* People who make buying decisions and negotiate a formal or informal contract for services. In HRM the principal customers are employers.

- *End-users*. People who receive the services, who are the “consumers”. In HRM the principal end-users are employees.
- *Context setters*. Setting the parameters within which the service operates but they do not buy the service. Context setters in HRM are, for example, government, statutory bodies, the “general public”, the media, professional bodies.
- *Partners*. Those working with the primary providers to provide a service; having mutual needs, common objectives and shared risks. In HRM these are primarily line managers and consultants.
- *Producers*. The producers of the service themselves; in HRM these are the HR staff themselves involved in developing and delivering HRM.

In this context employees will not necessarily be “customers”; customers would be the employers who buy HRM services, by employing HRM staff internally or externally. Customers may also be other managers if service level agreements are developed which involve contracting and payment for HRM services. The primary concern of customers is that they get an effective service for a reasonable price. Taking customers to be the primary stakeholder involves assessing performance in providing an effective service at an appropriate price.

Employees may be seen as end-users, people who consume the service, without having to directly pay for it. Yet other end-users also exist; including senior managers, through to middle managers and supervisors. Each type of end-user will have different expectations about their “consumption”, and indeed about the fact that they are consumers of the services. End-users of training programs will have different expectations about their consumption than will those subject to disciplinary procedures. For end-users, cost is less a concern, and quality is more important; end-user satisfaction can be evaluated more in terms of attitudes and satisfaction about the quality of HRM in the organisation as a whole.

Employees can also be seen as context setters. They may be internal context setters; employees who are not at any particular point using the services, but who have a say or influence on how policies and procedures are developed. Or they may be external context setters; from employees who act as citizens in electing governments with policies to participating in trade unions and associations. Other context setters also exist; in the form of managers or government bodies and campaigning groups on single issue causes. For such “influencers” performance is a function of accepting their influence on the matter in hand; evident in the adoption of “best practice” which fits with guidelines/laws proposed or the social issue campaigned on.

Employees could also be seen as partners, particularly if represented by trade unions or other employee bodies who jointly negotiate terms and conditions. Other partners may include senior managers as strategic partners,

line managers as operational partners, or external consultants in areas like, for example, the provision of specialist counselling services. An orientation on standards among partners can be evaluated in terms of the partners' feelings about the relationship and the benefits they gain from it, as well as their achievement of common objectives.

Producers can be seen to be the HRM staff themselves. Where there is only one HRM staff member the standards would centre on how satisfied employees are with that person's performance and the organisation's policies and procedures. Where larger HRM staffs exist they create an internal environment and culture in which their own group standards may become more prominent. They may then be doing things that they themselves find interesting and relevant, rather than solely evaluating themselves in relation to other stakeholders though of in terms of customers, end-users, context setters, and partners.

This research has assumed that employees are responding as "end-users". It suggests in this guise they are appreciative and positive. Evaluating HRM from other stakeholder perspectives or positions may produce different views. Satisfying end-users does not mean that either the real "customers", those who are paying for the systems or services, or "partners" or "influencers" will necessarily be satisfied. So while HRM staff may take comfort from these positive evaluations of end-users, they may yet still be exposed to more critical evaluations from other directions. This reinforces the idea that a dilemma is presented by attempting to deal with multiple stakeholders; with frustrations persisting despite these positive evaluations (Laabs, 1998).

In conclusion the aim has been to present research that tests the usefulness of adopting a distinctive approach to measuring and evaluating HRM systems and staff; not to test the validity of a particular theory of HRM or analyse the contribution of HRM to organisation success. In this context the validity and reliability of the findings are indeed constrained and the theoretical context needs much further clarification. Yet it is fair to conclude that reflecting upon what employees have to say, when asked, is indeed relevant and useful when considering the claims of either "hype" over the positive effects of modern HRM, or critiques of it. Listening to these voices should become a more integral part of analysing arguments in HRM.

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