

HRM and PM

by Mark-Walter Toro

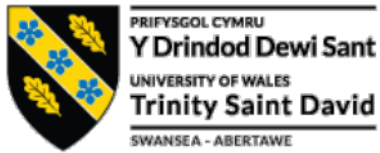
Submission date: 26-Oct-2017 02:09PM (UTC+0100)

Submission ID: 76362931

File name: 2118_Mark-Walter_Toro_HRM_and_PM_70785_451211043.docx (41.9K)

Word count: 2956

Character count: 16894



HRM – PM and HRM

Human Resource Management (M6X01291)

BSc (Hons) Logistics & Supply Chain Management

Senior Lecturer: Graham Orr

Student: Mark - Walter Toro

Today's challenges associated with globalisation, emerging workplace issues, knowledge management and new technologies drive disciplines and philosophies to evolve. Certainly, managerial terms have developed fundamentally over the last decades, predominantly on the People Management field (Aikaterini, 2014). One of the most popular shifts in terminology may be from the epoch of Personnel Management (PM) to the era of Human Resource Management (HRM). HRM as relatively a new term still considered new in Western society. It has evolved in its best-known form in the United States, and it has arrived in the United Kingdom and much of Europe in the mid-1910's and early 1920's (Harris, 2012). HRM as a concept has progressed evidently differencing itself from the discipline and study of personnel management (Harris, 2012). Although, the birth of the concept PM originates from the UK, during the 19th century, many names were used to describe processes about People Management. These were labour management, personnel administration, employment management, employment relations, industrial relations management, labour relations and personnel management (Aikaterini, 2014). Leaving aside the terminology differences, People Management was the concept where everything began. The Industrial Revolution in the 19th century has taken the matter of People Management forward since people demanded to work in a much safer and different working environment (Bratton and Gold, 2012). Improving working sites was only the beginning; workers started claiming better wages to improve their living conditions and further training as they wished to acquire more knowledge to improve their skills. In Britain, the concept was promoted by several philanthropic companies that began developing a paternalistic concern and care for their employees. For instance, Rowntree and Cadbury appointed 'welfare officers' to examine and improve the conditions and lives of their workers (Smith, 2016). Meanwhile, in the USA Henry Ford's auto manufacturing plant established a 'Sociological department' to manage employee's policies (Skrabec, 2013). Subsequently, during the inter-war period (1920-30s), three major theories influenced employer's perception over the HR: Rationalization, Taylorism, and the Human Reactions movement (Bratton, 2015). These years were well-known about the economic downturn and the high numbers of unemployment; thus, the rationalisation concept first explored by Max Weber has been applied in Britain generally at the large-

scale horizontal companies' mergers (Bratton and Gold, 2012). As corporate capitalism become more and more popular, the increase of controlling the personnel function also started gaining ground. William Frederick Taylor's scientific management theory played a vital role in the foundation of contemporary HR theories. The main elements of his theory were time and motion studies of work processes, implements and methods, standardisation of tools and increased division of labour (Bratton, 2015). Taylorism was focused on employee performance, productivity and on establishing systems of rewards for meeting company goals. The emphasis in Taylorism may not have been on placing HR in the centre of attention; however, it highlighted the importance of HRM in companies (Redman and Wilkinson, 2002). In opposition to Taylorists' ideas, the human relations movement pioneered by the American Elton Mayo carried out the Hawthorne experiments which supported the idea of integrating employees into the organisation (Hills, 1995). During the Second World War, a majority of organisations embraced the human relations approach as they were eager to maximise labour's performance and promote industrial harmony. Personnel officers were summoned in order to provide training programmes and establish personnel departments (Henderson, 2011). More advanced techniques started being developed concerning the areas of jobs design, recruitment and selection which made an impact on people management practices and policies (Bratton and Gold, 2012).

However, the post-war era created an appropriate environment for the PM field to flourish. Furthermore, Industrial Relations and PM acquired academic recognition as they become compulsory courses for the majority of business students in post-secondary educational institutions (Bratton and Gold, 2012). Besides, governments intended to get involved to a greater extent in the economy. In the 1960s and 70's laws were accepted regarding Personnel Management Activities. Such as the Contract of Employment Act in 1963, the Industry Training Act in 1964, the Redundancy Payments Act in 1965 etc. However, PM has also received some criticism (Tyson, 2014). Peter Drucker saw 'personnel administration' as he called it, an embracing range of unrelated but individually important activities (Henderson, 2011). Furthermore, numerous researchers stressed the difficulty of precisely distinguishing PM from HRM and uphold that the most noticeable change is a 're-labelling process' (Marlow et al., 2004). They

claimed that the differences are more of a matter of emphasis and approach rather than essence. On the contrary, Storey (1989) concluded that HRM is a departure from the prevailing orthodoxy and it is different from the collective bargaining, procedurally-centred approach typically found in PM (Foster, 2013).

However, empirical evidence suggests that despite the increasing appliance of HRM models, HRM has not completely replaced PM (Henderson, 2011). At this present time, would make sense to discuss two 'traditions' in people management field. One principally follows PM paradigm and the other the HRM paradigm. Generally, organisations demonstrate few aspects of each in their people management style (Henderson, 2011). Guest (1987) has been one of the academics who identified several differences between the two models (Dilcock, n.d). He called it as a concept of 'ideal types' of PM and HRM. Max Weber provides a fairly accurate definition of the term 'ideal types': 'An ideal type is formed by simplifying the description of complex reality to accentuate its most important features and ignore less relevant ones, so that what is really vital about the subject under study can be identified and understood' (Henderson, 2011). Consequently, based on Guest's (1987) work which was adopted and developed by Henderson (2011) the most vital differences in the 'ideal types of PM and HRM were evident in (Henderson, 2011):

- Strategic nature: traditionally, PM was anticipated to function on a short time scale, dealing with immediate problems such as urgent staff shortages, local industrial relations issues, instead of taking a strategic, long-term approach to people management matters. However, for this long-term view of HR issues was indispensable to have in place well-formulated strategy, which is clear, communicated, and supported by the business strategy of the organisation (Henderson, 2011).
- Psychological contract: as this term indicates it exists only in the minds of the employee and her or his respective supervisor and not to be confused with any legal contract or statement of employment. The PM model presumed that compliance is the primary basis of the psychological contract. The employer must be able to

specify, what exactly is required of the employee and enforce at least minimum compliance (Martin, 2010). On the other hand, the HRM approach presumes that the employee shows commitment, an initiative in the workplace. Therefore, management cannot always specify what exactly is expected of the employees, so they must rely on their own judgement to a much greater extent than in the past (Martin, 2010). Employees must also upgrade and extend their skills and knowledge bases. Mc Gregor's Theory X and Theory Y, provides an excellent example of how behaviours from the upper management differed under PM and HRM. In Theory X managers tend to take a pessimistic view of their people and presume that they dislike work and naturally unmotivated which would match PM (Rao, n.d). On the contrary, HRM or Theory Y, supports the participative management style, where managers have a positive, optimistic view of their people and open communication is more common than the control of staff.

- Job design: generally, the PM model followed the Taylorist approach where jobs tend to be designed under scientific management philosophies. In the HRM model, the search for higher commitment implied that employees have been encouraged and allowed to use self-control and organisational discipline rather than to be forced by a system of rules and compliance established by the management (Khanka, 2007). For instance, team working activities would be much more frequent in HRM than PM.
- Organisation structure: as it would be expected, organisations featuring PM lean towards being more pyramid-shaped, hierarchical, and more bureaucratic. On the other hand, HRM will be generally more flexible, less bureaucratic with a core of the employees surrounded by peripheral shells of other staffs (Henderson, 2011). The core is defined as those members of the organisations who possess knowledge and skills required for the organisation success, not necessarily senior executives. Core employees mirror greater market attractiveness and as a result better terms of employment and remuneration than others (Henderson, 2011). In return, they are expected to demonstrate continuous learning and provide high levels of flexibility

and performance in their work. Peripheral shells of workers can be considered as buffers in order to deal with the short-term fluctuations of the market (Henderson, 2017). Employees of this type, tend to be employed on temporary contracts or short term. HRM organisations have a tendency of outsourcing the non-core work.

- Remuneration: PM is naturally related to traditional methods to remuneration, such as long pay scales showing the organisation's hierarchical structure, valuing more the length of service rather than the present contribution. Furthermore, pay structures for non-managerial employees are commonly arranged via collective bargaining. The remuneration in HRM is more centred on rewarding contribution individually or team based (Henderson, 2017). Therefore, performance appraisal and management and the setting of base rates from the market are more frequent in HRM, than any collective agreements.
- Recruitment: In the PM model, sophisticated techniques such as psychological profiling and psychometric testing have frequently been applied in the selection and hiring into senior executive employment, while less costly and many easy methods typically are sufficient for non-managerial jobs. In HRM, these methods can be applied to all employees, or at least the core ones (Henderson, 2017).
- Training and development: The PM paradigm usually associated employees as mainly a cost which should be minimised and commitment to training and development is unimportant (Henderson, 2017). Therefore, employers feared that employees would be poached by the competition who do not train themselves. This phenomenon has been confirmed by Mangham and Mick Silver when management development of an organisation has been surveyed. This firm did not do any training for management, as they stated: 'We only employ managers who can do the job'. On the other hand, HRM supports the continuous development for all core member of staff, who are considered possessors and originators in the organisation strategy (Aikaterini, 2014). Their competencies and skills are critical in obtaining sustainable competitive advantage.

- The organisation of the function: differs between the two approaches. PM intends to show that dealing with employee relations issues is distinct from line management. However, this can result in creating and maintaining bureaucratic departments (Henderson, 2011). Furthermore, HRM emphasises that employee relations are part of the regular day-to-day line management activities. In the HRM model are professional HR departments highly specialised in (i) creating HR policies and (ii) fulfilling a role of internal consultants to line managers (Henderson, 2011). Then, the line managers apply the HR policy, only requesting HR involvement in particular issues.
- Welfare Role: fulfilled by a personnel manager, who is a member of the management team dealing with personal problems (if those impacting on work) (Sison, 1991). In the PM model management's primary objective within an organisation was to reduce and control labour costs. Commonly, employees expected a fuller welfare package than it was given, and this was the major reason of why PM was viewed with so much ambiguity (Henderson, 2011). Finance managers considered workers as an unnecessary cost which caused personnel managers to be caught between unhappy workers and unsympathetic management colleagues, neither of whom knew what they were supposed to be doing. In HRM model, is no welfare role, thus it is no longer necessary due to its unitarist culture with no collective employment and such (Henderson, 2011).
- Criteria for success of the function: there are major differences in the essence of two models. In PM, the organisation is judged upon well it minimised labour costs, while in HRM model is rather a question of how well it maximises the usage of human resources (while still effectively controlling costs) (Henderson, 2011).

As pointed out, according to Guest's comparison, the ideal types of HRM certainly differs from the old Personnel Management. Furthermore, it has to be mentioned that within HRM there are two approaches must be considered: Hard and Soft HRM. Storey (1986) has differentiated between Hard and Soft forms where 'Hard' emphasises on the quantitative, strategic aspects of managing HR as an economic factor,

while 'Soft' focuses on motivation, communication, and leadership (Storey, 1999). 'Hard' models, in general, have a stronger emphasis on ensuring that HRM strategy suits and driven by the overall corporate strategy. There are few similarities especially between 'Soft' HRM' and PM models has been presented in a catalogue by Armstrong (2006) (Armstrong, 2006). He upholds even 19 years' later after the differences between HRM is no more and no less than another name for PM. The similarities presented by him are the following (Armstrong, 2006):

1. Both flow from the business strategy.
2. Line managers are responsible for managing people. Employee function provides support services and necessary advice to allow managers to carry out their everyday jobs.
3. The values of PM and at least the 'soft' form of HRM are equal with regards to 'respect for individual', corresponding to individual and organisational needs and developing employees to achieve the highest level of competence both to support the accomplishment of organisational objectives and for personnel satisfaction.
4. Both models recognise that one of their most critical functions to match people to ever-changing organizational needs, such as developing and placing the right people in and for the right jobs.
5. Competence analysis, performance management, the same range of selection, training, reward management and management development are used both in HRM and PM.
6. PM, as well as the 'Soft' form of HRM emphasises the significance of the processes of participation and communication with an employee relations system.

It is evident that several of the similarities above are examined in the literature as differences as well (Aikaterini, 2014). Guest (1987) brought up as one of the differences that employee relations are distinct from the line management. On the other hand,

Armstrong (2006) is stating the same idea as one of the similarities. Furthermore, investing in employees by developing and training them was not always the case in the old PM era, as Mangham and Mick Silver presented it (Henderson, 2011). Instead, placing the right people in for the right jobs without investing in them as they were considered a cost. Armstrong (2006) stated that matching employees to organisational needs such as developing them is a similarity between two concepts. However, distinguishing the two approaches based on the literature might be confusing and misleading in some cases. There have always been difficulties answering the question, of how much PM and HRM differs including past and present. Guest and Horwood (1980) stated that is not much to know previously about personnel management (Poole, 1999). Furthermore, most analyses highlight PM's limitations and failures in practice (Poole, 1999). Consequently, this means that there is a danger of comparing the ideal type of HRM with the descriptive views of PM. Moreover, it is also a question of how HRM works in practice. Therefore, almost certainly no organisation practises absolutely pure HRM or PM (Henderson, 2011). It would be suggested to think in terms of two traditions in people management: the old personnel management one, which leans towards to be bureaucratic, Taylorist and pluralistic. The newer concept is the human resource management one with non-bureaucratic, unitarist and post-Taylorist supporting individualistic rather than collective employment, taking a strategic view of human resources, and seeking to harness the willing commitment rather than their coercion. Presently, numerous organisations have a mixture of these two traditions, but HRM is undoubtedly in the ascendant.

References

AIKATERINI, G. 2014. Personnel Management vs. Human Resource Management: Evidence from Hellas. *Master of Science (MSc) in Management*. International Hellenic University: School of Economics, Business Administration and Legal Studies.

- ARMSTRONG, M. 2006. *A Handbook of Human Resource Management Practice*, Kogan Page.
- BRATTON, J. 2015. *Introduction to Work and Organizational Behaviour*, Palgrave Macmillan.
- BRATTON, J. & GOLD, J. 2012. *Human Resource Management: Theory and Practice*, Palgrave Macmillan.
- DILCOCK, M. G. n.d. HRM & Personnel Management: A Comparative Analysis. *International Journal of Applied HRM*, 1, 19.
- FOSTER, S. 2013. *HR Ready: Creating Competitive Advantage Through Human Resource Management*, Lulu.com.
- HARRIS, M. M. 2012. *Handbook of Research in International Human Resource Management*, Taylor & Francis.
- HENDERSON, I. 2011. *Human Resource Management for MBA Students*, Chartered Institute of Personnel and Development.
- HENDERSON, I. 2017. *Human Resource Management for MBA and Business Masters*, Kogan Page.
- HILLS, S. M. 1995. *Employment Relations and the Social Sciences*, University of South Carolina Press.
- KHANKA, S. S. 2007. *Human Resource Management*, S. Chand Limited.
- MARLOW, S., PATTON, D. & RAM, M. 2004. *Managing Labour in Small Firms*, Taylor & Francis.
- MARTIN, J. 2010. *Key Concepts in Human Resource Management*, SAGE Publications.
- POOLE, M. 1999. *Human Resource Management: Critical Perspectives on Business and Management*, Routledge.
- RAO, P. n.d. *Comprehensive Hrm*, Excel Books India.
- REDMAN, T. & WILKINSON, A. 2002. *The Informed Student Guide to Human Resource Management*, Thomson Learning.
- SISON, P. S. 1991. *Personnel and Human Resources Management*, Personnel Management Association of the Philippines.

- SKRABEC, Q. R. 2013. *The Green Vision of Henry Ford and George Washington Carver: Two Collaborators in the Cause of Clean Industry*, McFarland, Incorporated.
- SMITH, R. 2016. *Organisational Learning: An Integrated HR and Knowledge Management Perspective*, Taylor & Francis.
- STOREY, J. 1999. *New Perspectives on Human Resource Management*, International Thomson Business Press.
- TYSON, S. 2014. *Essentials of Human Resource Management*, Taylor & Francis.

HRM and PM

GRADEMARK REPORT

FINAL GRADE

/100

GENERAL COMMENTS

Instructor

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7

PAGE 8

PAGE 9

PAGE 10

PAGE 11

RUBRIC: BACHELOR'S ASSESSMENT CRITERIA

RES-INF LIT

Research-informed Literature. Extent of research and/or own reading, selection of credible sources, application of appropriate referencing conventions

OUTRIGHT FAIL 0-29%	Little or no evidence of reading. Views and findings unsupported and non-authoritative. Referencing conventions largely ignored.
UNSATISFACTORY 30-39%	Poor evidence of reading and/or of reliance on inappropriate sources, and/or indiscriminate use of sources. Referencing conventions used inconsistently.
SATISFACTORY 40-49%	References to a limited range of mostly relevant sources. Some omissions and minor errors. Referencing conventions evident though not always applied consistently.
GOOD 50-59%	Inclusion of a range of research-informed literature, including sources retrieved independently. Referencing conventions mostly consistently applied.
VERY GOOD 60-69%	Inclusion of a wide range of research-informed literature, including sources retrieved independently. Selection of relevant and credible sources. Very good use of referencing conventions, consistently applied.
EXCELLENT 70-79%	A comprehensive range of research informed literature embedded in the work. Excellent selection of relevant and credible sources. High-level referencing skills, consistently applied.
EXCEPTIONAL 80-100%	Outstanding knowledge of research-informed literature embedded in the work. Outstanding selection of relevant and credible sources. High-level referencing skills consistently and professionally applied.

SCALE 8

K & U SUBJECT

Knowledge and Understanding of Subject. Extent of knowledge and understanding of concepts and underlying principles associated with the discipline.

OUTRIGHT FAIL 0-29%	Major gaps in knowledge and understanding of material at this level. Substantial inaccuracies.
UNSATISFACTORY 30-39%	Gaps in knowledge, with only superficial understanding. Some significant inaccuracies.
SATISFACTORY 40-49%	Evidence of basic knowledge and understanding of the relevant concepts and underlying principles.
GOOD 50-59%	Knowledge is accurate with a good understanding of the field of study.
VERY GOOD 60-69%	Knowledge is extensive. Exhibits understanding of the breadth and depth of established views.
EXCELLENT 70-79%	Excellent knowledge and understanding of the main concepts and key theories. Clear awareness of challenges to established views and the limitations of the

knowledge base.

EXCEPTIONAL 80-100% Highly detailed knowledge and understanding of the main theories/concepts, and a critical awareness of the ambiguities and limitations of knowledge.

SCALE 8

ANALYSIS

Analysis. Analysis, evaluation and synthesis; logic, argument and judgement; analytical reflection; organisation of ideas and evidence.

OUTRIGHT FAIL 0-29% Unsubstantiated generalisations, made without use of any credible evidence. Lack of logic, leading to unsupportable/ missing conclusions. Lack of any attempt to analyse, synthesise or evaluate.

UNSATISFACTORY 30-39% Some evidence of analytical intellectual skills, but for the most part descriptive. Ideas/findings sometimes illogical and contradictory. Generalised statements made with scant evidence. Conclusions lack relevance.

SATISFACTORY 40-49% Evidence of some logical, analytical thinking and some attempts to synthesise, albeit with some weaknesses. Some evidence to support findings/ views, but evidence not consistently interpreted. Some relevant conclusions and recommendations, where relevant.

GOOD 50-59% Evidence of some logical, analytical thinking and synthesis. Can analyse new and/or abstract data and situations without guidance. An emerging awareness of different stances and ability to use evidence to support the argument. Valid conclusions and recommendations, where relevant.

VERY GOOD 60-69% Sound, logical, analytical thinking; synthesis and evaluation. Ability to devise and sustain persuasive arguments, and to review the reliability, validity & significance of evidence. Ability to communicate ideas and evidence accurately and convincingly. Sound, convincing conclusions / recommendations.

EXCELLENT 70-79% Thoroughly logical work, supported by evaluated evidence. High quality analysis, developed independently or through effective collaboration. Ability to investigate contradictory information and identify reasons for contradictions. Strong, persuasive, conclusions, justifiable recommendations.

EXCEPTIONAL 80-100% Exceptional work; judiciously selected and evaluated evidence. Very high quality analysis, developed independently or through effective collaboration. Ability to investigate contradictory information and identify reasons for contradictions. Highly persuasive conclusions.

SCALE 8

PRAC APP&DEPL

Practical Application and Deployment. Effective deployment of appropriate methods, materials, tools and techniques; extent of skill demonstrated in the application of concepts to a variety of processes and/or contexts; formulation of innovative and creative solutions to solve problems.

OUTRIGHT FAIL 0-29%	Limited or no use of methods, materials, tools and/or techniques. Little or no appreciation of the context of the application.
UNSATISFACTORY 30-39%	Rudimentary application of methods, materials, tools and/or techniques but without consideration and competence. Flawed appreciation of the context of the application.
SATISFACTORY 40-49%	An adequate awareness and mostly appropriate application of well established methods, materials, tools and/or techniques. Basic appreciation of the context of the application.
GOOD 50-59%	A good and appropriate application of standard methods, materials, tools and/or techniques. Good appreciation of the context of the application, with some use of examples, where relevant.
VERY GOOD 60-69%	A very good application of a range of methods, materials, tools and/or techniques. Very good consideration of the context of the application, with perceptive use of examples, where relevant. Evidence of some innovation and creativity.
EXCELLENT 70-79%	An advanced application of a range of methods, materials, tools and/or techniques. The context of the application is well considered, with extensive use of relevant examples. Application and deployment extend beyond established conventions. Innovation and creativity evident throughout.
EXCEPTIONAL 80-100%	Outstanding levels of application and deployment skills. Assimilation and development of cutting edge processes and techniques.

SCALE 8

SKILLS PROF P

Skills for Professional Practice . Demonstrates attributes expected in professional practice including: individual initiative and collaborative working; deployment of appropriate media to communicate (including written and oral); clarity and effectiveness in presentation and organisation.

OUTRIGHT FAIL 0-29%	Communication media is inappropriate or misapplied. Little or no evidence of autonomy in the completion of tasks. Work is poorly structured and/or largely incoherent.
UNSATISFACTORY 30-39%	Media is poorly designed and/or not suitable for the audience. Poor independent or collaborative initiative. Work lacks structure, organisation, and/or coherence.
SATISFACTORY 40-49%	Can communicate in a suitable format but with some room for improvement. Can work as part of a team, but with limited involvement in group activities. Work lacks coherence in places and could be better structured.
GOOD 50-59%	Can communicate effectively in a suitable format, but may have minor errors. Can work effectively as part of a team, with clear contribution to group activities. Mostly coherent work and is in a suitable structure.
VERY GOOD 60-69%	Can communicate well, confidently and consistently in a suitable format. Can work very well as part of a team, with very good contribution to group activities. Work is coherent and fluent and is well structured and organised.

- EXCELLENT 70-79% Can communicate professionally and, confidently in a suitable format. Can work professionally within a team, showing leadership skills as appropriate, managing conflict and meeting obligations. Work is coherent, very fluent and is presented professionally.
- EXCEPTIONAL 80-100% Can communicate with an exceptionally high level of professionalism. Can work exceptionally well and professionally within a team, showing advanced leadership skills. Work is exceptionally coherent, very fluent and is presented professionally.

SCALE 8