Contents

Supporting resources for instructors and students *xix*
List of figures *xxi*
List of tables *xxiii*
Preface *xxv*

Part I Human Resource Management **1**

1. The Practice of Human Resource Management 3
   Introduction 4; Human resource management defined 4; The objectives of HRM 5; Theories of HRM 6; Characteristics of HRM 7; The development of the concept of HRM 13; Reservations about HRM 14; The context of HRM 17; The ethical dimension 19
2. Strategic Human Resource Management 25
   Introduction 26; The conceptual basis of strategic HRM 26; Strategic HRM defined 29; The resource-based view of strategic HRM 30; Strategic fit 32; Perspectives on strategic HRM 32; The best practice approach 33; The best fit approach 35; Bundling 37; The reality of strategic HRM 39; Practical implications of strategic HRM theory 40
3. HR Strategies 48
   Introduction 48; What are HR strategies? 48; General HR strategies 49; Specific HR strategies 52; Criteria for an effective HR strategy 53; How should HR strategies be formulated? 54; Issues in developing HR strategies 55; Implementing HR strategies 59
4. Human Capital Management 65
   Introduction 66; Human capital management defined 66; The concept of human capital 66; The constituents of human capital 68; Human capital measurement 69; Human capital internal reporting 75; Human capital external reporting 76; Introducing HCM 77

5.	The Role and Organization of the HR Function Introduction 82; The role of the HR function 82; The organization of the HR function 84; Evaluating the HR function 87; HR shared service centres 92; Outsourcing HR work 93; Offshoring 94; Using management consultants 94; Marketing the HR function 95; HR budgeting 96; The HR role of front line managers 97	81
6.	The Role of the HR Practitioner Introduction 105; The basic role 105; The business partner role 106; The strategic role of HR specialists 108; The change agent role 111; The internal consultancy role 112; The service delivery role 112; The guardian of values role 113; Models of HR roles 113; Gaining support and commitment 117; Ethical considerations 120; Professionalism in human resource management 121; Ambiguities in the role of HR practitioners 122; Conflict in the HR contribution 124; The qualities required by HR professionals 125; Continuous professional development 129	104
7.	The Impact of HRM on Performance Introduction 136; The impact made by HRM 136; How HRM strategies make an impact 141; How HRM practices make an impact 144	135
8.	International HRM Introduction 151; International HRM defined 151; Issues in international HRM 151; Global HR policies and practices 156; Managing expatriates 156	150
9.	Corporate Social Responsibility Introduction 166; Strategic CSR defined 166; CSR activities 167; The rationale for CSR 168; Developing a CSR strategy 170	165
10.	Human Resource Management Research Methods Introduction 175; The nature of research 175; Research philosophy 176; Planning and conducting research programmes 178; Literature reviews 180; Quantitative and qualitative methods of research 181; Methods of collecting data 182; Processes involved in research 187; Statistical analysis 191	174
Part II	**Human Resource Management Processes**	**199**
11.	Competency-based HRM Introduction 202; Types of competencies 202; Competency frameworks 204; Coverage of competencies 209; Applications of competency-based HRM 210; Developing a competency framework 212; Competencies and emotional intelligence 214	201

12. Knowledge Management 218
Introduction 219; Knowledge management defined 219; The concept of knowledge 220; The purpose and significance of knowledge management 221; Knowledge management strategies 222; Knowledge management systems 223; Knowledge management issues 223; The contribution of HR to knowledge management 225

13. High-performance Work Systems 230
Introduction 231; High-performance culture 231; High-performance work system defined 232; Characteristics of a high-performance work system 234; Components of an HPWS 235; Impact of high-performance work systems 238; Reservations about the impact of an HPWS 240; Developing a high-performance work system 241

Part III Work and Employment 249

14. Work 251
Introduction 252; The nature of work 252; Organizational factors affecting work 255; Changes in the pattern of employment 256; The future of work 257

15. The Employment Relationship 260
Introduction 261; The employment relationship defined 261; The basis of the employment relationship 262; Employment relationship contracts 263; What is happening to the employment relationship 265; Managing the employment relationship 266; Developing a high trust organization 267; Theories explaining the employment relationship 270

16. The Psychological Contract 276
Introduction 277; The psychological contract defined 277; The psychological contract and the employment relationship 279; The significance of the psychological contract 280; Changes to the psychological contract 282; State of the psychological contract 2004 283; How psychological contracts develop 284; Developing and maintaining a positive psychological contract 285

Part IV Organizational Behaviour 289

17. The Essence of Organizational Behaviour 291
Introduction 292; Organizational behaviour defined 292; Characteristics of organizational behaviour 292; Organizational behaviour and the social and behavioural sciences 293; Explaining organizational behaviour 294; Factors affecting organizational behaviour 294; The sources and applications of organization behaviour theory 295; The significance of organizational behaviour theory 296

18.	Characteristics of People Introduction 300; Individual differences 300; Personal characteristics 302; Types of behaviour 307; Implications for HR specialists 311	299
19.	Motivation Introduction 317; Motivation defined 317; Types of motivation 318; Motivation theories 319; Motivation and money 329; Motivation strategies 330	316
20.	Engagement and Commitment Introduction 336; The concepts of engagement and commitment compared 336; Employee engagement 337; Organizational commitment 345; The contribution of HR to developing commitment 351	335
21.	How Organizations Function Introduction 358; Organization theory 359; Organization structure 365; Types of organization 366; Organizational processes 369	357
22.	Organizational Culture Introduction 384; Organizational culture defined 384; Organizational climate defined 385; How organizational culture develops 386; The diversity of culture 387; The components of culture 387; Classifying organizational culture 390; Assessing organizational culture 391; Measuring organizational climate 392; Appropriate cultures 394; Supporting and changing cultures 394	383
Part V	**Organization Design and Development**	**401**
23.	Organization Design Introduction 404; The process of organizing 404; Aims of organization design 405; Conducting organization reviews 406; Who does the work? 412	403
24.	Organization Development Introduction 416; Organization development defined 416; Organization development programmes 417; Assumptions and values of organization development 417; Organization development activities 418	415
25.	Change Management Introduction 424; Types of change 424; The change process 426; Change models 426; Resistance to change 430; Implementing change 432; Guidelines for change management 433; Organizational transformation 434; The role of HR in managing change 437	423

26.	Job, Role, Competency and Skills Analysis Introduction 444; Definitions 444; Job analysis 446; Job descriptions 449; Role analysis and role profiles 451; Generic role profiles 453; Behavioural competency modelling 454; Analysing technical competencies 461; Skills analysis 461	443
27.	Job and Role Design and Development Introduction 467; Job design 467; Role development 473	466
Part VI	**People Resourcing**	**477**
28.	People Resourcing Strategy Introduction 480; The objective of people resourcing strategy 480; The strategic HRM approach to resourcing 480; Integrating business and resourcing strategies 481; The components of people resourcing strategy 482; Bundling resourcing strategies and activities 482	479
29.	Human Resource Planning Introduction 486; Human resource planning defined 486; Aims of human resource planning 487; Use of human resource planning 488; Approaches to human resource planning 488	485
30.	People Resourcing Practice Introduction 496; Employee value proposition 496; Employer brand 497; Employee turnover 497; Retention planning 503; Absence management 506; Flexibility planning 509	495
31.	Recruitment and Selection Introduction 515; The recruitment and selection process 515; Defining requirements 515; Recruitment planning 518; Attracting candidates 519; Processing applications 527; Selection methods 529; Dealing with recruitment problems 533; References and offers 534	514
32.	Selection Interviewing Introduction 541; Purpose 541; The basis of an interview – the person specification 541; The nature of an interview – obtaining the information 542; Advantages and disadvantages of interviews 544; Interviewing arrangements 545; Preparation 546; Planning an interview 547; Types of interviews 548; Interview techniques – starting and finishing 552; Interviewing techniques – asking questions 552; Selection interviewing skills 560; Coming to a conclusion 562	540
33.	Selection Tests Introduction 568; Psychological tests 568; Aptitude tests 571; Characteristics of a good test 572; Interpreting test results 573; Choosing tests 574; The use of tests in a selection procedure 574; Good practice in psychological testing 575	567

34. Talent Management 579
Introduction 580; The meaning of talent management 580; The process of talent management 582; Developing a talent management strategy 584; Management succession planning 586

35. Career Management 590
Introduction 591; Career management defined 591; Aims 591; Career stages 592; Career development strategy 593; Career management activities 593; The process of career management 594; Self-managed careers 598

36. Introduction to the Organization 602
Introduction 603; Induction: what it is and why it is important 603; Reception 604; Documentation 604; Company induction – initial briefing 605; Introduction to the workplace 605; Formal induction courses 606; On-the-job induction training 607

37. Release from the Organization 609
Introduction 610; Redundancy 610; Dismissal 611; Retirement 612

Part VII Performance Management 615

38. The Process of Performance Management 617
Introduction 618; Performance management defined 618; Objectives of performance management 619; Characteristics of performance management 619; Underpinning theories 620; The performance management cycle 621; Conducting a performance review meeting 627; Assessing performance 629; Dealing with under-performers 634; Introducing performance management 636; Line managers and performance management 638

39. 360-degree Feedback 643
Introduction 644; Use of 360-degree feedback 644; 360-degree feedback – methodology 644; 360-degree feedback – advantages and disadvantages 646; Development and implementation 647

Part VIII Learning and Development 651

40. Learning and Development Strategy 653
Introduction 654; Features of a learning and development strategy 654; Learning culture 656; The learning organization 657; The contribution of learning and development to organizational performance 658

41. The Process of Learning and Development 663
Introduction 664; Learning and development defined 664; Elements of learning and development 665; Approaches to learning and

development 666; Informal and formal learning 666; E-learning 670; Blended learning 673; Self-directed learning 673; Development 674; Training 675

42. Learning and Development Programmes and Events 683

Introduction 684; The business case for learning and development 684; Planning and delivering learning programmes and events 685; Responsibility for the implementation of learning 689; Identifying learning needs 690; Evaluation of learning 693

43. How People Learn 700

Introduction 701; Learning defined 701; The learning process 701; Learning theory 702; Learning styles 704; Learning to learn 706; The learning curve 706; The motivation to learn 708; The implications of learning theory and concepts 709

44. Organizational Learning 713

Introduction 714; Organizational learning defined 714; The process of organizational learning 715; Outcomes of organizational learning 717; Evaluative enquiry 717; Organizational learning and the learning organization 718

45. Management Development 720

Introduction 721; Management development policy 721; Management development strategy 722; Approaches to management development 723; The integrated approach to management development 726; Responsibility for management development 727; Criteria for management development 730

Part IX Rewarding People 733

46. Reward Management 735

Introduction 736; Reward management defined 736; The philosophy of reward management 737; The reward system 739; Total reward 741; Reward strategy 746; Reward management and line management capability 751

47. Job Evaluation 755

Introduction 756; Job evaluation defined 756; Approaches 757; Analytical job evaluation schemes 758; Non-analytical schemes 761; Market pricing 764; Computer-aided job evaluation 765; Choice of approach 766; Designing an analytical point-factor job evaluation scheme 769; Designing an analytical matching job evaluation scheme 776; Equal pay considerations 777; Conclusions 779

48. Market Rate Analysis 783

Introduction 784; The concept of a market rate 784; Job matching 785; Use of benchmark jobs 786; Sources of market data 787; Interpreting and presenting market rate data 792; Using survey data 792

49.	Grade and Pay Structures Introduction 796; Definitions 796; Types of grade and pay structure 798; Designing grade and pay structures 807	795
50.	Contingent Pay Introduction 816; Contingent pay as a motivator 816; Arguments for and against contingent pay 817; Alternatives to contingent pay 819; Criteria for success 820; Performance-related pay 821; Competency-related pay 822; Contribution-related pay 823; Skill-based pay 825; Readiness for individual contingent pay 827; Developing and implementing individual contingent pay 827; Service-related pay 828; Summary of individual contingent pay schemes 829; Bonus schemes 829; Team-based pay 832; Organization-wide bonus schemes 833; Choice of approach to contingent pay 834	815
51.	Rewarding Special Groups Reward management for directors and executives 840; Reward management for sales representatives 842; Paying manual workers 844	839
52.	Employee Benefits, Pensions and Allowances Employee benefits 850; Pensions 852; Communicating pensions policies 855; Total reward statements 856; Allowances 856	849
53.	Managing Reward Systems Introduction 860; Controlling reward 860; Monitoring and evaluating reward policies and practices 861; Conducting pay reviews 862; Reward procedures 867; Managing the development of reward systems 868; Devolution to line managers of responsibility for reward 868; Communicating to employees 871	859
Part X	**Employee Relations**	**875**
54.	The Employee Relations Framework Introduction 878; The basis of employee relations 878; Industrial relations as a system of rules 880; Regulations and rules in industrial relations 881; Collective bargaining 882; The unitary and pluralist views 884; The concept of social partnership 886; Individualism and collectivism 886; Voluntarism and its decline 887; The HRM approach to employee relations 887; The context of industrial relations 889; Developments in industrial relations 890; The parties to employee relations 893	877
55.	Employee Relations Processes Introduction 906; Employee relations policies 906; Employee relations strategies 909; Employee relations climate 910; Union recognition 912; Collective bargaining arrangements 913; Collective bargaining outcomes 915; Informal employee relations processes 920; Other	905

features of the industrial relations scene 921; Negotiating and bargaining 923; Managing with unions 927; Managing without trade unions 929; The state of employment relations 930; Handling employment issues 931

56. Employee Voice 935

Introduction 936; The meaning of employee voice 936; The forms of employee voice 937; The framework for employee voice 938; Expression of employee voice 939; Joint consultation 941; Attitude surveys 942; Suggestion schemes 944; Effectiveness of employee involvement and participation 945; Planning for voice 945; EU Directives affecting employee voice procedures 945

57. Employee Communications 949

Introduction 950; The importance of employee communications 950; What should be communicated? 950; Approach to communication 951; Communication methods 951; Employee communication strategy 953

Part XI Health, Safety and Employee Well-being 957

58. Health and Safety 959

Introduction 960; Managing health and safety at work 960; Health and safety policies 961; Conducting risk assessments 962; Health and safety audits 965; Health and safety inspections 967; Accident prevention 967; Occupational health programmes 968; Measuring health and safety performance 969; Communicating the need for better health and safety practices 970; Health and safety training 971; Organizing health and safety 971

59. Employee Well-being 975

Introduction 976; Improving of the work environment 976; Services for individuals 981; Group employee services 982

Part XII HR Policies, Procedures and Systems 985

60. HR Policies 987

Introduction 988; Why have HR policies? 988; Overall HR policy 988; Specific HR policies 990; Formulating HR policies 997; Implementing HR policies 998

61. HR Procedures 1000

What are HR procedures? 1001; Capability procedure 1001; Disciplinary procedure 1003; Grievance procedure 1005; Redundancy procedure 1006

62. HR Information Systems 1010

Introduction 1011; Reasons for introducing an HRIS 1011; The functions of an HRIS 1011; Features of an HRIS 1013; Introducing an HRIS 1014

Appendices **1017**

A. Example of Employee Engagement and Commitment Survey 1019
B. Example of Performance Management Survey 1020
C. Example of Reward Survey 1021
D. Learning and Development Activities and Methods 1022

Useful Web Addresses *1031*
Subject Index *1034*
Author Index *1057*