

# Introducing Human Resource Management

Seventh Edition

Margaret Foot Caroline Hook Andrew Jenkins



Introducing  
**Human Resource  
Management**

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Caroline Hook  
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# Preface

## What's in this book?

Managing people is a vital part of all managers' jobs whether they are line managers or human resource (HR) specialists, and successful management and leadership make a huge difference both to the performance of teams and individuals and to the achievement of the organisation's strategic objectives. Increasingly HR takes a lead in informing and driving the strategic direction of the organisation itself and frequently this is in an international context. This book emphasises both the role of HR in forming and achieving the organisation's strategic objectives and the increasingly globalised context in which this happens. Technology is also changing the way in which HR managers operate and this book will discuss this and its effects on different aspects of human resource management (HRM).

## The chapters

The content of this book represents an introduction to the philosophical and legal framework of people management strategies aimed at achieving a high-performance workplace. The book further examines the basic operational areas and good practice associated with HRM. Chapter 1 provides an introduction to the subject of HRM and the role that both HR professionals and line managers play in dealing with people issues in the workplace. It provides a background and history of the HR role and gives an overview of current issues in HRM which are then examined in more detail in other chapters.

Chapters 2–5 discuss issues of central importance to HR today. This includes an exploration of employment relationship issues such as the psychological contract, employee engagement, high-performance working, strategic HRM and human resource planning. Together with an in-depth coverage of diversity and equality the discussion of these issues provides a background to the areas dealt with in the next chapters.

In Chapters 6–10, we focus on the functional areas that, if executed well, can add value for both employers and employees. We examine strategic and good practice issues in recruitment and selection, performance management and performance appraisal, learning, training and talent development, pay and reward systems, and health, safety and wellbeing.

More HR managers are working in multinational organisations dealing with international assignments and global staffing issues, so Chapter 11 is a new chapter covering international HRM. The final two chapters consider how to deal with situations where problems develop in the employer–employee relationship, with an examination of discipline and grievance and then dismissal, redundancy and outplacement.

### Who the book is for

This textbook is targeted at business and management students on degrees and diplomas around the world. It is intended primarily as an introductory text for those students who, as a part of their career strategy, are studying and working towards management positions whether in HRM or another area of management. Some students will aim to be a specialist in HRM by studying on a degree such as a BA in Human Resource Management or a course linked to a professional body such as the Chartered Institute of Personnel and Development (CIPD). However, managing people today is so important that it is not only a job for the HR specialists but now forms an important and integral part of all managers' jobs. This book is also intended for these students whose degree is in other subject areas but where HRM plays an important part such as business administration and business management, business studies, events management, hospitality management, tourism management, marketing or logistics management.

This book will also be of use as an introductory text to students on some master's degree programmes such as an MBA, particularly where the students do not have much prior knowledge of this subject area. The 'What Next?' exercises in particular are designed to encourage students to take their studies to a higher level.

The CIPD has developed an HR profession map designed to be relevant to all HR professionals, whether they are specialists or generalists in large or small organisations, and which is intended to help individuals plan their professional development and careers. The map consists of four bands ranging from Band 1 which is applicable to those just starting their careers through to Band 4 for the most senior leaders. The map comprises 10 professional areas and eight behaviours and at the heart of the profession map are the first two professional areas, which are the need for HR to provide *insight, strategy and solutions* and *to lead HR*. The other eight professional areas are: *resourcing and talent planning, learning and development, performance and reward, employee engagement, employee relations, services delivery and information, organisation design and organisational development*. The map is continually updated and the need to develop a *global outlook* in these areas is also important. The eight behaviours are: curiosity, decisive thinking, being a skilled influencer, personal credibility, collaborativeness, being driven to deliver, having the courage to challenge and acting as a role model. Most of the professional topics the CIPD list are included in this book and should help you develop along these lines.

Those at or near the start of their careers who are perhaps studying at the intermediate level of the CIPD's qualifications will find this book useful and we map chapters of the book against the CIPD's intermediate level standards below. It will also be of use for foundation level students and as introductory reading for those on more advanced courses as they plan their professional development or plot their careers against the CIPD profession map.

Chapter in <i>Introducing HRM Seventh edition</i>	CIPD intermediate level module
1. Introducing human resource management	Developing Professional Practice Business Issues and the Context of Human Resources Using Information in Human Resources Managing and Co-ordinating the Human Resources Function
2. High-performance working: employee engagement through involvement and participation	Employee Engagement Improving Organisational Performance Employment Law
3. The employment relationship	Contemporary Development in Employment Relations Employment Law
4. Diversity and equality	Developing Professional Practice Employment Law
5. Human resource strategy and planning	Resourcing and Talent Planning Organisation Design
6. Recruitment and selection	Managing and Co-ordinating the Human Resources Function
7. Performance management and performance appraisal	Human Resources Service Delivery
8. Learning, training and talent development	Contemporary Developments in Human Resources Development Meeting Organisational Development Needs Developing Coaching and Mentoring within Organisations Knowledge Management
9. Pay and reward systems	Reward Management Employment Law
10. Health, safety and wellbeing	Contemporary Developments in Human Resources Employment Law
11. International human resource management	Contemporary Developments in Human Resources Managing and Coordinating the Human Resources Function
12. Discipline and grievance	Contemporary Developments in Human Resources Employment Law
13. Dismissal, redundancy and outplacement	Contemporary Developments in Human Resources Employment Law

## Skill building

Nowadays there is an increasing emphasis on developing skills to ensure employability of graduates so in this edition there will also be a focus on skills in terms of both generic employability skills and HR skills. There is a great deal of debate about what constitutes employability skills. The Confederation of British Industry (CBI) and the National Union of Students (NUS) in their 2011 publication *Working towards Your Future: Making the Most of Your Time in Higher Education* say



employability skills comprise ‘a set of attributes, skills and knowledge that all labour market participants should possess to ensure they have the capability of being effective in the workplace – to the benefit of themselves, their employer and the economy’. The main attributes necessary are to have a positive attitude and to be open to new experiences, new ideas, to be willing to participate in new activities and also to have a desire to achieve results. We hope you will have enthusiasm and openness to new ideas as you study HRM and read this book. However, they go on to say that the other key capabilities are: self-management, team working, business and customer awareness, problem solving skills, communication skills, application of numeracy and application of information technology. We have included in each chapter exercises called Improving your employability which are designed to provide opportunities for you to start to develop some of these generic employability skills. The table below shows the chapters in which these exercises are mainly found. Your university or college and other modules that you are studying should also help provide opportunities to develop your employability skills further.

Skills to improve your employability	The chapters in which exercises to improve these skills are mainly found
Self-management	Chapter 1 – Analysis of extent of own employability skills Chapter 2 – Analysis of extent of own commitment or engagement and examples of this in various situations so these could be used in an interview for employment The <i>Financial Times</i> (FT) article about volunteering Chapter 3 – Preparing for a presentation Chapter 6 – Writing a curriculum vitae (CV) Chapter 7 – SWOT analysis of own strengths, weaknesses, opportunities and threats available Chapter 8 – Keeping a learning log and analysing own preferred learning styles Chapter 11 – Review of own competencies
Team working	Chapter 2 – Engagement and commitment in team working Chapter 10 – Research and team debate about health and safety
Business and customer awareness	Chapter 2 – Motivating employees in difficult times such as in a redundancy situation Chapter 3 – Research about flexible working Chapter 10 – Research and team debate about health and safety issues Chapter 12 – Research and report writing about grievance procedures Chapter 13 – Redundancy pay calculation All the <i>Financial Times</i> (FT) articles
Problem solving	Chapter 2 – Motivating employees in difficult times such as in a redundancy situation Chapter 10 – Research into health and safety Chapter 12 – Research and report writing about grievance procedures

Skills to improve your employability	The chapters in which exercises to improve these skills are mainly found
Communications	Chapter 2 – Motivating employees in difficult times such as in a redundancy situation Chapter 3 – Presentation using PowerPoint Chapter 4 – Noting the effects of ‘banter’ and potential for unfair discrimination Chapter 5 – Presentation using PowerPoint Chapter 6 – Writing a CV Chapter 9 – Presentation and report writing about wages and salary figures Chapter 10 – Debate about health and safety Chapter 12 – Writing a business report about grievance procedures
Application of numeracy	Chapter 3 – Presentation using PowerPoint about flexible working Chapter 5 – Presentation using PowerPoint about labour turnover figures Chapter 9 – Presentation and report about wages and salary figures Chapter 13 – Redundancy pay calculation
Application of information technology	Chapter 3 – Presentation using PowerPoint about flexible working Chapter 5 – Presentation using PowerPoint about labour turnover figures Chapter 9 – Presentation using PowerPoint and report about wages and salaries Use of all web links at end of each chapter

## Your involvement

We intend that you become actively involved in your own learning as you progress through this book, and to this end, as well as the chance to improve your employability skills, there are other HR-related activities for you to undertake and opportunities to pause and think about issues raised in each chapter. We recommend that you have a pen and paper beside you as you read the book, so that you can complete the activities. Reflection is important so resist any temptation to skip these exercises.

At the end of each chapter there are review questions and activities designed to help you examine key learning points in-depth. There are articles from the *Financial Times* to provide some real-life scenarios and promote business awareness together with questions to stimulate discussion. The What next? exercises aim to provide opportunities to take things to a higher level for those wanting to study aspects of the topic in more depth. As mentioned earlier there are also exercises at the end of each chapter designed to focus on improving aspects of your employability.

Discussion about specific points raised in the activities is often an integral part of the text, but suggested answers to review questions are included later in the book where this is appropriate. You should try to answer the questions and think things through on your own first before turning to the answers. Your tutor should also have a further set of activities and exercises to help with the main learning points in each chapter.

Some of the organisations discussed in the case studies or activities, such as AirgardXL or the Sheffley Company, are fictitious. Though they are based on

scenarios from real-life situations the people or organisations named in them do not actually exist and details have been drawn from a number of events to create totally fictitious, although realistic, situations. Real organisations are, however, mentioned in the text, particularly where they serve as examples of good practice, and the *Financial Times* articles obviously describe real-life people, events and organisations.

Margaret Foot, Caroline Hook and Andrew Jenkins  
March 2015

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# Introducing human resource management

## Objectives

*By the end of this chapter you will be able to:*

- define what is meant by the term 'human resource management'
- understand the roles of line managers and human resource managers in managing people
- outline the range of activities with which practitioners of human resource management are likely to be involved
- demonstrate how human resource management can make a difference by adding value to an organisation
- outline some of the current issues facing HR managers
- start to review and develop your employability skills.

## Introduction

This book is designed as an introductory text for students studying human resource management (HRM) either with a view to becoming HR specialists themselves, or starting or hoping to start a career in management. As you will discover, people management forms a large part of every manager's job, whether they work in a large multinational organisation, a not-for-profit organisation or a small charity. Organisations also increasingly aim for all employees to be motivated and involved, so an understanding of the subject is important for everyone.

As stated in the preface, we intend that you should become actively involved in your own learning as you progress through the book. Learning how to learn is a vital skill not just so that you achieve a qualification, though of course that is also important, but also so that you can continue to learn and so update skills and knowledge throughout life.

## ● HRM skills

According to the Chartered Institute of Personnel and Development (CIPD) (2014a), as well as achieving qualifications and gaining work experience there are some personal qualities needed to be a success in HR, which include being

- balanced and objective, since there is a need to sometimes represent both employees and the employer
- trustworthy and discreet
- a strong communicator
- aware of and interested in the ways that businesses work
- able to work as a part of a team
- curious with a questioning mind
- flexible, adaptable and patient.

Being a strong communicator, being curious and continuing to learn, an ability to work in a team and being aware of and interested in the ways businesses work are also skills that employers say that they want in anyone starting a job with them. The 'HRM activities', 'Review questions', 'Pause for thought', 'Did you know?' and 'HR in the news' topics included in each chapter aim to enhance your knowledge as well as help you to develop some of these HRM skills. Studying HRM will also enable you to see things from the perspective of an HR practitioner, which may also be useful in increasing your business awareness and enable you to gain better insights in planning your own career and in job applications in particular.

## ● Employability skills

We have also focused on some specific generic skills in a section called 'Improving your employability' at the end of each chapter. While there are many things which could contribute to improving employability the Confederation of British Industry (CBI) and the National Union of Students (NUS) (2011) say that students need to be proactive about using their time at university or college to gain experience by volunteering or getting involved in clubs and societies and trying to gain work experience in their chosen topic or topics. They go on to say that a positive attitude and willingness to participate in new things or try out new ideas is important as is a desire to get things done. The knowledge and qualifications gained on your course, which in this instance is knowledge about HRM, are also important but other generic capabilities are also often required by employers. These include the following:

- Self-management – this could include skills such as time management, management of your own learning, flexibility and a willingness to learn from feedback and reflecting on your learning.
- Problem solving – learning to be more analytical to identify causes of problems or situations and then selecting solutions that would be appropriate in the circumstances.
- Working with others – working in teams, pairs or small groups and contributing to discussion as well as using skills of cooperation, persuasion or negotiation.
- Communication – the ability to communicate clearly in various forms, both written, such as business reports, and spoken, such as making a presentation.

- Business awareness – understanding more about what drives a business to achieve success and also about building customer satisfaction and loyalty.
- Application of numeracy – being able to work with numbers to use them in an appropriate business context.
- Application of information technology – IT skills and familiarity with commonly used programs.

While we cannot hope to perfect your skills in all these areas in an introductory textbook on HRM, we nevertheless hope to help you to start to develop some of these while you learn more about the subject of human resource management.

## HRM? What's it all about?

Even though you are just beginning this subject, you may already have ideas about some of the topics that you are about to study and you may even have a general idea of the role and functions of the human resource management or personnel department in an organisation. Your ideas may not all be right but, after all, that is why you are studying the subject. Many students talk of studying HRM because they would 'like to work with people', and they seem to think of human resource management as a cosy job that involves being nice to people at all times. While this view is not entirely accurate, it is certainly a career which provides a wealth of variety and a great deal of job satisfaction. HRM is also a career which is constantly changing as the role evolves in response to changing social, political, economic and demographic issues, and we shall examine some of the ways the profession is changing in response to these later in this chapter.

According to the CIPD (2014a) a career in HR offers endless possibilities with a huge variety of roles. This is one of the main reasons people give for enjoying their HR careers as they say they provide variety, challenge and interest, in organisations where HR is at the heart of the business and can make a difference. A survey by XpertHR in 2014 found that 58.7 per cent of those surveyed would choose to pursue a career in HR again in spite of the fact that almost half of them (48.5 per cent) had actually started work in other areas prior to HR and said they had entered the HR profession by chance. Of those surveyed 36.8 per cent had made a deliberate choice to pursue a career in HR because they wished to work with people (Murphy, 2014a).

We shall discuss in this book the variety of roles and tasks that modern HR professionals cover but it is important to note that it is not just the HR professionals who work in these areas: line managers are also involved. Therefore, this book is also written as an introduction to HRM for them too.

Let us start with an activity to help you focus on your ideas about human resource management and the respective roles of HR managers and line managers. You can compare your answers with the answer that we give at the end of the chapter. Later in the chapter we shall also look at what researchers and HR practitioners say HR is about.

### Did you know?

The Chartered Institute of Personnel and Development (CIPD) is the professional body that represents over 135,000 people worldwide who are involved in the management and development of people.

(Source: CIPD, 2015a)





### Activity 1.1

What do you think are the main areas in which a human resource manager is likely to be involved? Make a list of these areas. For each of the areas on the list, indicate the type of involvement of the human resource practitioner and whether other managers are also likely to have a role in handling this activity (use Table 1.1). We have completed the first row of Table 1.1 to start you off. Our suggestions for this activity are given at the end of the chapter in Table 1.3.

**Table 1.1** The main activities of human resource practitioners

Main areas of activity of human resource/people management specialist	Type of involvement of the human resource/people management specialists	Type of involvement of line manager
Recruitment and selection	Design of policies and procedure for fair recruitment and selection in order to contribute to the fulfilment of the organisation's corporate strategy Commission online recruitment activities Carry out interviews or monitor and give advice on interview technique or on terms and conditions of employment	Prepare and carry out interviews and other selection tests Participate in selecting the successful candidate(s)
Learning, training and talent development		

## ● The main activities of human resource management

The areas that we would list are as follows:

- recruitment and selection
- learning, training and talent development
- human resource planning
- provision of contracts
- provision of fair treatment
- provision of equal opportunities
- managing diversity
- motivating workers to achieve improved performance
- employee counselling
- talent management
- employee wellbeing

- payment and reward of employees
- health and safety
- disciplining individuals
- dealing with grievances
- dismissal
- redundancy
- negotiation
- encouraging involvement and engagement
- adding value
- ethics and corporate responsibility
- knowledge management
- change management
- managing cross-cultural issues or international HRM.

You may have included some slightly different activities since human resource managers, as you can see from this list, do become involved in a wide range of issues and it is difficult to predict the exact nature of the job in any particular enterprise. We have selected the main topics with which we feel most human resource managers are likely to be involved, but this will vary from organisation to organisation and may also depend on the way the function itself is organised. The type of involvement of the HR specialists will also vary. Some HR specialists operating at a high level in the organisation will be concerned with the provision of clear strategic direction for HR and linking this to the strategic objectives of the organisation. Others will be concerned to provide specialist advice, while still others will focus on the provision of administration and support. All will be concerned in some way to ensure that HRM activities add value by helping the organisation achieve its strategic objectives. They will focus on ensuring that the overall HR policies and procedures support the strategic objectives and that there is consistency in approach and implementation across the organisation.

However, for each activity it is likely that other managers will also be involved to some extent. Line managers will be concerned with the actual implementation of the policies and procedures in so far as they affect their team, whereas the HR specialists will also be involved in the bigger picture, although the extent of the differences in role will vary between organisations.

The fact that aspects of managing the human resource are an element of every manager's or supervisor's job is an important point for you to keep in mind. Many of you will find that your career may take you from line management to human resource management and then back to line management, or vice versa.

**Pause for thought 1.1** A line manager is a person who has direct responsibility for employees and their work. Since line managers seem to have such a large part to play in people management, to what extent do you think they need human resource managers at all?

Obviously, we consider that line managers do need to call on the services and expertise of human resource specialists. If you look at our discussion of Activity 1.1 in Table 1.3 at the end of this chapter, you will see that although a great deal of what was once regarded as HR work is now done by line managers, there is also a role for a person skilled in human resource management to establish policies, standards and procedures, to integrate these with the organisation's objectives to ensure that they contribute to the organisation's strategic objectives, to provide expert advice

and consistency and to coordinate and provide training and development. Human resource practitioners will also often be involved in initiating company-wide programmes such as promoting employee engagement, communication and consultation. The exact nature of their involvement will vary from one organisation to another, as will the range of activities they cover. The human resource department may carry out some administrative work and maintain central records on people and may also provide advice and expertise for other managers to draw on. In some organisations the human resource department may carry out all the activities listed above, while in others many or most of these functions may be an important part of the jobs of other managers. Increasingly more and more aspects of the HR function are being carried out by line managers and you will find as you work through the book that we emphasise the roles of line managers in HR activities.

Even among human resource managers there will be differences in the scope of their job, so it is also important to consider the ways in which HR jobs are organised as specialist or generalist roles. Does an organisation employ its own HR practitioners in-house, or is the HR department outsourced and provided by a form of shared services for other divisions of the same organisation or with other organisations? Are the individuals themselves consultants or business partners or do they have some other job title? Is their role dealing with issues just in one country or multinational? We shall deal with some of these issues about the variety of roles in HRM and the ways in which HRM can be organised later in this chapter.

Cross-cultural issues will provide another dimension to be considered in relation to each of these tasks. Multinational organisations have to consider both expatriates and host-country nationals employed by them around the world as well as their home-country-based employees. Recently several of our students who have graduated from the University of Huddersfield have taken up first jobs in HR which have involved them working at least for some of their time in other countries and this has meant that they needed an awareness of cultural issues in human resource management quite early in their careers. The expansion of the European Union (EU) with the entry of several Eastern European countries such as Poland has also meant an increase in workers from these countries coming to the UK to seek employment, so an awareness of cross-cultural issues is also of value to HR managers, even if they work exclusively in the UK.

Given the changes to the way organisations are operating in terms of their recruitment, you may find yourself working with migrant workers in this country, recruiting internationally or working in another country yourself in an international organisation. We shall therefore consider some of these cross-cultural or international issues in HRM in Chapter 11.

As you have already discovered human resource management can include a diverse range of activities and it is constantly changing. The variety is in part a result of the history of HRM and the way it has developed. Theories of HRM have also been influential in shaping the role as have changes to the economic, social, demographic and technological contexts in which human resource managers operate. People also adapt their roles, and the context in which they operate shifts in response to these varying demands. We shall explore these varying influences on the changing HR function in the rest of this chapter.

### Did you know?

According to Gerwyn Davies, the CIPD's labour market advisor, there is now a great deal of competition for entry level and low-skilled jobs and some employers are using overqualified migrant labour to help their businesses grow where they find it hard to attract UK-born candidates to unskilled or semiskilled jobs. However, many of these employers are also trying to help young people entering the labour market by offering work experience, internships and apprenticeships.

(Source: Davies, 2014)

## The main factors that have made HRM what it is today

### ● The history of human resource management

The role of an HR manager has changed in response to social, economic and political conditions and to changes in technology, and it is still developing dynamically. The relative importance of many of the activities has changed as external circumstances have affected the needs of organisations and it is still a dynamic area where the roles and ways of organising the HR function continue to change and develop.

It may help you to understand the diversity of roles that are sometimes adopted by human resource managers if we look briefly at the development of the profession. A variety of names have been used to describe those who specialise in managing people. In this book we have chosen to use the terms 'human resource manager' or 'people manager' as these are increasingly the main terms used but you will also find other terms such as 'personnel manager' still being used and some other job titles such as reward manager or learning and talent development manager for those who have specialised in specific areas of HRM. However, while it is important to have some idea of the background of HRM it is of even greater importance to examine current roles and issues and to consider possible developments in HR of the future in the world in which most of you will find yourself working. We shall discuss recent and possible future developments in more detail later in this chapter.

### ● Industrial welfare

The earliest activity with which the HR practitioner was involved was welfare work. During the nineteenth century the conditions of work for men, women and children in the factories were generally appalling compared to today's accepted standards. There were some enlightened employers who wanted to try to improve working

conditions for their employees and adopted schemes to improve the lot of their workforce as part of their company policy. Among these were several Quaker organisations, and it is generally held that the first personnel officer, referred to at that time as an industrial welfare officer, was Miss Mary Wood who was appointed by Rowntree's in York in 1896. She was appointed to be a type of social worker for the factory, with responsibility for ensuring the wellbeing of women and children in the workforce and watching over their health and behaviour.

Although Mary's first day at work over 100 years ago is very different from the type of work that we associate with human resource managers of today, welfare and the wellbeing of the workforce is still an area in which many HR practitioners will be involved. Levels of absenteeism are expensive, so modern organisations which are proactive in encouraging a healthy workforce have also shown benefits in reduced levels of absence with consequent saving for the organisation.

#### Did you know?

Mary Wood's first day at work at Rowntree's was rather different from the type of activity you would associate with human resource managers today.

Her first morning was spent placing flowers in work-rooms – perhaps not so ineffectual a beginning as might be thought when the drabness of factories and homes at the time is remembered – and in the afternoon she went to visit girls who were sick, ordering groceries for the most necessitous cases and seeing such slums that she had never dreamt existed. Her first opportunity for making headway came during the dinner hours, when the fact that there was no supervision meant that pandemonium broke out. By degrees she brought order and discipline and before long was arranging an occasional concert or talk during the last half hour of the break. She then turned to organising games as an outlet for the high spirits of the younger girls and as a means of strengthening their physique.

(Source: Niven, 1978)

- **Recruitment and selection**

The early industrial welfare workers met with great success, and Mary Wood and others were soon asked to start recruiting girls, which was the beginning of the development of the role of recruitment and selection. (Remember this was well before equal opportunities had been thought of!) During the First World War there was rapid development in many fields of personnel management, largely as a result of government initiatives to encourage the best possible use of people, and also because of legislation.

- **Acquisition of other people management activities**

In 1921 the National Institute of Industrial Psychologists was established, and its members published results of studies on selection tests, interviewing techniques and training methods so providing an academic rationale for some aspects of people management.

During the Second World War the work spread from welfare, recruitment and selection to training, improving morale and motivation, discipline, health and safety, joint consultation and often wages policies. This expansion of duties required the establishment of an adequate personnel department with trained staff.

- **Employee relations**

Joint consultation between management and workforce spread during the Second World War, and personnel departments became responsible for its organisation and administration. There was an increased emphasis on health and safety and a need for specialists to deal with employee relations, so that gradually the personnel manager became the usual spokesperson for the organisation in discussion with trade unions and shop stewards. This aspect of their role gained further impetus in the 1970s, where in many organisations the personnel manager had executive authority to negotiate deals about pay or other collective issues.

- **Legislation**

During the 1970s the growth in the amount of employment legislation resulted in the personnel function often adopting the role of specialist adviser, ensuring that managers did not fall foul of the law and that cases did not end up at industrial tribunals, as they were then called.

- **Flexibility and diversity**

In the 1990s there was a major trend for employers to seek increasingly flexible arrangements in the hours worked by employees, with a growth in the number of employees who worked part-time or on temporary contracts, and an increase in distance working and working from home. This trend has continued in the early years of the twenty-first century. The workforce and patterns of work are becoming increasingly diverse and this presents its own challenges to HR managers.

## ● **Thinking strategically, adding value and talent management**

As well as increasing diversity there has been a continuing focus on the need to build a skilled workforce and to develop and retain talent. While the economic recession has led to many job losses it has also resulted in an increased focus on the need for those in HR to clearly link all HR initiatives with the organisation's strategic objectives to ensure that they not only achieve value for money but that they go further and add value to the organisation. While there are still redundancies being made there are also skills shortages in some sectors, meaning that it is even more important to recruit, develop and keep talent. The development of what is known as the human resource management approach discusses some of the theory related to these changes.

## The development of the human resource management approach

The concept of human resource management first appeared in the 1980s and the use of the term grew in the 1990s. Initially, writers in the field focused on trying to distinguish between personnel management and HRM, but according to Boxall and Purcell (2008) HRM has, in spite of the lack of clarity over definition, become the most popular term to refer to the activities of managers in relation to people management.

The major characteristics of the HRM approach to people management have been identified as follows:

- The importance of adopting a strategic approach is emphasised.
- Line managers play an important role.
- Organisational policies must be integrated and cohesive in order to better project and support the central organisational values and objectives. Along with this, communication plays a vital role.
- An underlying philosophy is adopted that emphasises the achievement of competitive advantage through the efforts of people. This can variously be interpreted into actions that are known as hard HRM or those that are known as soft HRM.
- A unitarist rather than a pluralist approach prevails in the relationship between managers and employees.
- All people who work in an organisation are important whether they are part-time or full-time employees or not employees of that organisation at all. In this way agency staff and consultants, or volunteers in a charity, are all perceived to be important to the organisation.

## ● **Focus on strategy**

Throughout the 1980s and 1990s business leaders came to accept more and more that competitive advantage could be achieved only through the efforts and