

SV HRM

Jonas Polin



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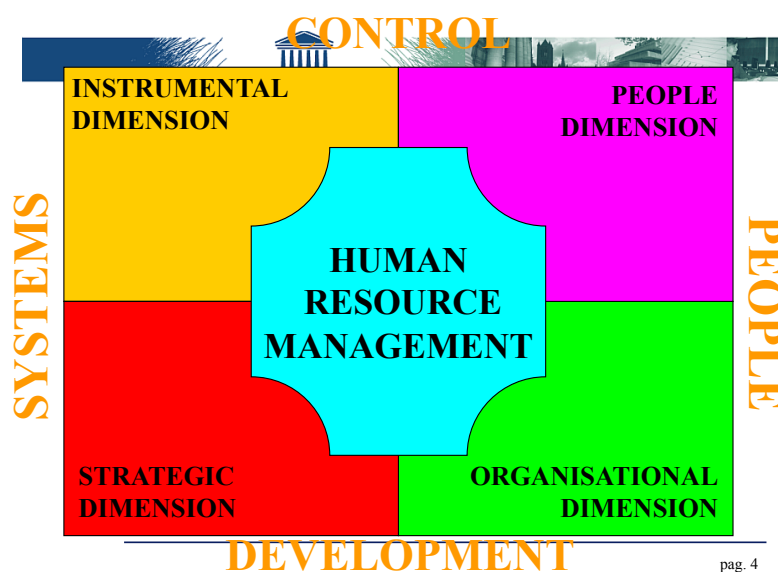
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1 INTRODUCTION: THE FOUR DIMENSION OF HUMAN RESOURCE MANAGEMENT

The world is in constant flux of change.

Human Resource Management evolved from a simple administrative function towards a complex function. The function of HR manager evolved from administrative 'clerk' to 'change architect'

- **APPROACH:** A four dimensional model for Human Resource Management to grasp the complexity of Human Resource Management
- Moving from operational to strategic Human Resource Management is the central message in this course



pag. 4

- Two large opposites:
 1. Control of man and organization <> change and development
 - Management means manoeuvring constantly between stability and change
 2. Systems <> people

1.2. 4-DIMENSIONAL MODEL

1. **Instrumental dimension:** rules, procedures, work systems, administration, paperwork, ...
 - *Handles instrumental and administrative aspects of HRM*
2. **People dimension:** motivation, working conditions, leadership, internal communication
 - *Approaches the human side of enterprise*
3. **Strategic dimension:** strategy, goals and objectives, measurement, added value
 - *Deals with the strategic and the goal-directed aspects of HRM*
4. **Organizational dimension:** structure and culture, organizational design, organizational development
 - *Goes into the cultural and structural elements of the organization*

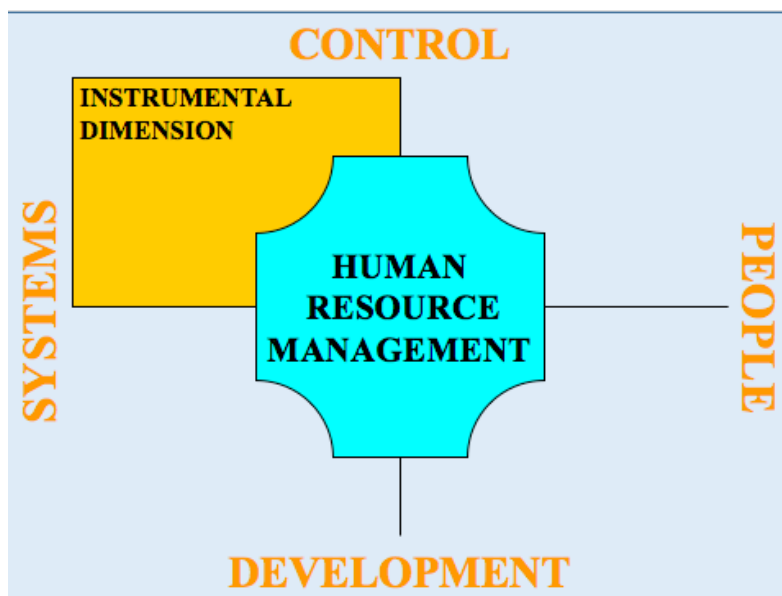
1.3. FOUR ROLES FOR THE HR MANAGER

Every dimension includes a specific role pattern that gives rise to the development of the professionalism of a Human Resource Manager.

1. **Instrumental behavior:** can lead towards technocrats (*het zakelijke is belangrijker dan het sociale*), fanatic administrator, excessive trust in law and rules
 - *The exaggerated attention to rules and procedures leads to a bureaucratic organization (= rigidity and impersonality), but on the other side, the lack of instrumental systems leads to chaos*
2. **People management:** can lead towards excessive attention to people and neglect of results
3. **Strategic manager:** can lead to the dreamer, unrealistic visionair
4. **Organizational development:** can lead to structuralism thinking, people follow structure

2 INSTRUMENTAL DIMENSION

- Rules, procedures, work systems, administration, paperwork, ...



- *Most traditional and best known approach of HRM*
- *It forms the fundamentals of the personnel function*

CONTENTS

1. History
2. The core function now
3. Challenges
4. HR agenda
5. Conclusion

2.1. HISTORY

EARLY 20TH CENTURY

- First management theories: *the objective that the first management theories had was to find the 'one best way'*
- Scientific Management (Taylor)
- 'One best way'
 - *to **produce as efficiently** as possible and to **deploy employees as adequately** as possible*
- Industrialization
- Synergy business people and academics
 - *Synergie is een begrip dat een proces beschrijft waarbij het samengaan van delen meer oplevert dan de som der delen.*
- 'L'Homme machine'
 - *Metaphor: 'man and organization as a machine'*

FROM '70S: MCDONALDIZATION

McDonalds aims at complete controllability, the specialization of labor, uniformity, mass production and the use of routine.

- Efficiency: optimization of production in terms of speed;
- Calculability: the tendency to calculate everything;
- Predictability: uniformization of products, services, procedures;
- Control: control systems through the use of technology
- McDonaldization is a term used by sociologist George Ritzer in his book *The McDonaldization of Society* (1993). He explains it occurs when a culture possesses the characteristics of a fast-food restaurant. McDonaldization is a **reconceptualization of rationalization**, or moving from traditional to rational modes of thought, and scientific management. Where Max Weber used the model of the bureaucracy to represent the direction of this changing society, Ritzer sees the fast-food restaurant as having become a more representative contemporary paradigm

DISCUSSION ON MCDONALDIZATION

- One half of the class figures out advantages
- One half of the class figures out disadvantages

TODAY: ADMINISTRATIVE CONTROL

- Importance of procedures
- Introduction of disciplinary interventions (tendency to natural soldiering)
- Measurement of labor productivity as one of the first HRM measurement systems
- Registration systems
- Operational research

TODAY: SERVICE DELIVERY

- Administration: *the paperwork must be done -> nodige duidelijkheid en rechtszekerheid*
- Service delivery: *client orientation*
- Juridical service
- Expertise in administrative procedures and legal affairs
- Negotiations with social partners for setting up regulations, rules, agreements, social laws

TODAY: SOCIO-ECONOMIC NEGOTIATION SYSTEM

- The role of employer (organizations), trade unions and government in setting up socio-economic regulations
- Neo-corporatism
- The Rhineland model versus the Anglo-Saxon model
 - *Rhineland model: emphasizes the institutional regulations between trade unions and employers that will lead to the satisfaction of the social partners.*

2.3. CORE FUNCTIONS OF INSTRUMENTAL DIMENSION

2.3.1. PAPERWORK MUST BE DONE

- The need for paper work
- The urge for high quality service delivery
- Internal management = organizing schedules, holidays, work systems, ...
- Difference between **transactions** (routines, automatic tasks) and **transformations** (change, add more value, transformation of situations, problem solving)

TWO KIND OF SERVICES

Transactional	Transformational
Routine based	Non routines, not 100% predictable, project based
Relative easy process	Relative complex proces
Mostly not personal	Need for personal contact
Low competencies required	Require more technical, juridical and managerial expertise
Basic service	Complex service, change processes

HRM TRANSACTIONS

- **Administration of employment:** Recruitment and selection procedures, appointment formalities, internal mobility, formalities of discharge, visa, expatriate formalities, and so on.
- **Wage or pay-related activities:** Payroll, administration of variable payment systems (stock options, bonuses), tax deductions, social security deductions, counting working hours, organization of vacation, statistics, and so on.

- **Administration of financial and material benefits:** Organization of extralegal benefits, medical service, employer-related compensations (relocation allowance, commuter allowance, ...), information about financial and material benefits, contributions to a pension fund, and so on.
- **Administration of personnel development and training activities:** Registering formation, training and education activities, legal regulations of VTO, and so on.
- **Building and keeping up databases:** Keeping up to date personnel administration (change of address and family structure) social statistics, and so on.

HRM TRANSFORMATION

- **Employment:** Strategic personnel planning, recruitment of candidates, screening of new employees, promotion, career planning, talent assessment.
- **Development:** Management development, learning, personal development plans, competence management, performance management, diversity development, organizational learning.
- **Strategic payment:** Pay for performance, job analysis, performance measurement, strategic payment programs, profit sharing.
- **Organization management:** Organization change, process management, organization diagnosis, change of organization culture, business process reengineering.
- **Communication;** Media management, internal communication, public relations, Human Resource Management Information System (HRMIS)
- **Employee relationship management:** Measuring the employees' contentment, employees' focus groups, psychological contract, work/family life balance, employee support.
- **Trade union and labor relations:** Employment contracts, negotiating working conditions and circumstances, complaints procedure.

2.3.2. JOB ANALYSIS

- Work specialization
- Analyze and split up work in smallest task units
- Deskilling or not?
 - *Advantages: employability is increased, work can be delivered at the lowest price, workers are replaceable, workers need a minimum of skills*
- Deskilling because of breaking up tasks leads to degrading?
 - *Degrading is possible due to the fact that thinking and doing is split up and the employee is assigned less authority and autonomy in the workplace*
- No deskilling without reskilling
 - *Deskilling leads to reskilling of the new employees*
- Bureaucratic logic, obedience, rigid

Some Tayloristic principles:

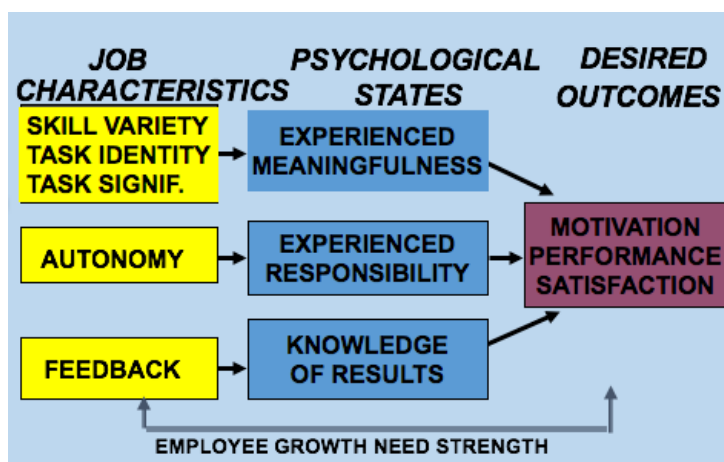
- Divide the work of a man performing any job into simple elementary movements
- Pick out all useless movements and discard them
- Study, one after another, just how each of several skilled workmen makes each elementary movement, and with the aid of a stop watch select the quickest and best method
- Describe, record, and index each elementary movement, with its proper time, so that it can be quickly found
- Study and record the percentage which must be added to the actual working time of a good workman to cover unavoidable delays, interruptions, and minor accidents, etc...
- Study and record the percentage which must be added to cover the newness for a good workman to a job, the first few times he does it
- Study and record the percentage of time that must be allowed for rest, and the intervals at which the rest must be taken, in order to offset physical fatigue

The main dimensions of work organization that reflect such a development are:

- From narrowly defined, routinized tasks to re-integration of tasks and multitasking;
- From direct control to relative autonomy and devolution of management functions to workers;
- From deskilling to multiskilling and upskilling;
- A shift in the unit of production from the individual to the group;
- A shift from (technical and bureaucratic) system integration to social integration through communicative action and co-operation in self-directed teams.

JOB CHARACTERISTICS MODEL

The Job Characteristics Model focuses on the motivating potential of task characteristics. The authors combine several elements to a comprehensive model that not only focuses on the characteristics on their own, but also on the presumed effects on mental states of a person and organizational performances.

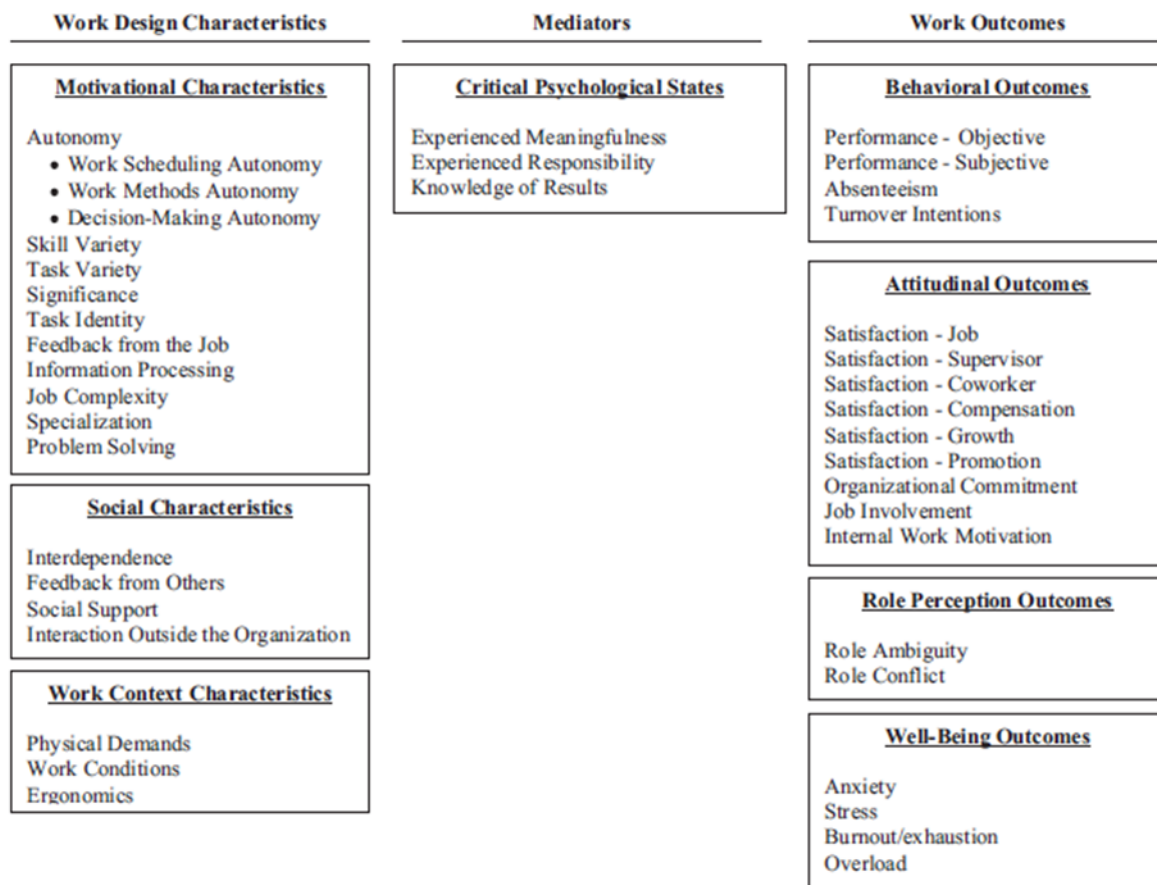


Afbeelding 1: the job characteristics model of Oldman and Hackman (1980)

VIDEO

Work becoming more complex => need for other motivational characteristics worked out in job analysis.

Humphrey propose that work design characteristics influence work outcomes such as job performance and job satisfaction through the experienced meaningfulness, experienced responsibility and knowledge of results. Interestingly, knowledge characteristics are related to training and compensation requirements, unlike task characteristics.



JOB DEMANDS JOB CONTROL MODEL BY KARASEK

The model basically emphasizes the amount of job demands and the capacity for personal control over the job.

1. Job demands: work pressure, work (over)load, complex work, role ambiguity
2. Job control: personal growth, competencies, goal achievement, having a say

		Job demands	
		Low	High
Job control (skills and decision authority)	Low	Passive job (1)	High strain job (3)
	High	Low strain job (2)	Active job (4)

Four possible job situations:

1. **Simple work:** passive job. traditional (Tayloristic work design)
2. **Relaxed work:** low strain work. people have low demands but get a lot of control opportunities.
3. **Stressful work:** high work demands but not sufficient control opportunities.
4. **Challenging work:** high demands combined with high control

SOCIAL INNOVATION

Social innovation means the flexible organization of work, dynamic management and working smarter.

- The search for new ways of organizing work = social innovation
- Renewing work processes
- Relationship between social innovation and productivity, innovation capacity (Volberda)

WORK REDESIGN

- Where is the future heading us?
 - *New ways of working (In Dutch: 'Het nieuwe werken')*
 - Robots versus humans

Nieuwe manieren van werk zorgt ervoor dat we onze organisatie moeten aanpassen.

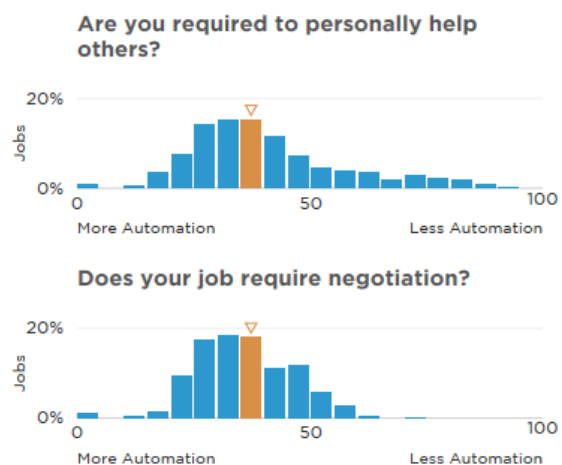
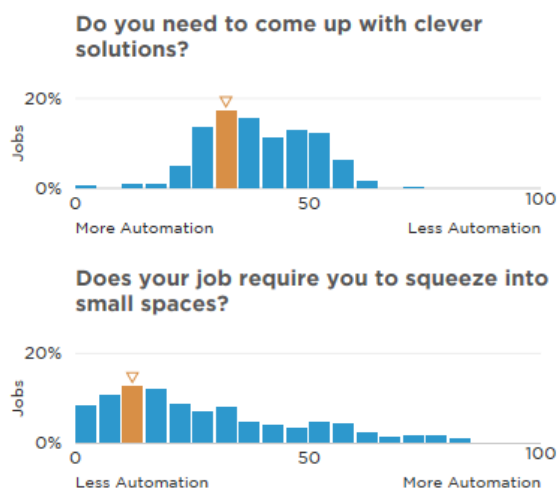


Bookkeepers have a

97.6%

chance of being automated.

How do we know this? Some aspects of a job are easier to automate than others. It all depends on the tasks. Look at the orange bars to see how Bookkeepers compare with other professions...



.. .

What job is hardest for a robot to do? Mental health and substance abuse social workers (found under community and social services). This job has a 0.3 percent chance of being automated. That's because it's ranked high in cleverness, negotiation, and helping others. The job most likely to be done by a robot? Telemarketers. No surprise; [it's already happening](#).

The researchers admit that these estimates are rough and likely to be wrong. But consider this a snapshot of what some smart people think the future might look like. If it says your job will likely be replaced by a machine, you've been warned.

2.3.3. JURIDICAL WORK

- Provide the organization with clear procedures and rules
- Regulations must be in line with existing social laws
- Formalization of the organization
- Negotiations between employer and representatives (trade unions) on work regulations

2.4 5 REQUIRED FEATURES

1. **Economy:** do we think about costs and profit
2. **Efficiency:** do we use the most appropriate and inexpensive means
3. **Effectivity:** do we reach our goals and intentions with our instrumental systems
4. **Effortless** (Simplicity): not too complicated systems, understandable
5. **Expression:** communicative systems, try to communicate as much as possible, convince employees and management

NPM georienteerd.

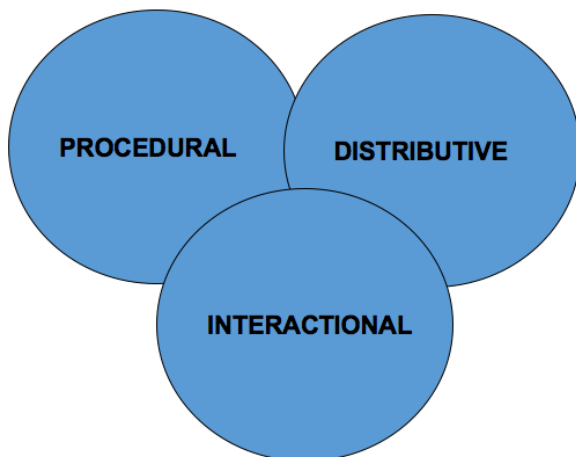
HRM is het tegenovergestelde van bureaucratie.

2.5. CHALLENGES FOR THE INSTRUMENTAL DIMENSION

2.5.1 CHALLENGES: FORMALIZATION VERSUS TRANSPARANCY

- Juridical systems lead to non-transparent regulations (specific juridical words, etc.)
- Urge for clear regulations
- Create readable and workable systems
- Objectivity and fairness
- Changing role: from administrative HRM to strategic communication
- *Formalization often causes a tangle of rules and procedures*
- *There is an increasing insecurity as a result of the juridical unclearness*

2.5.2 CHALLENGES: JUSTICE



Justice is subjective.

Bijvoorbeeld: er wordt een contract aangeboden van een halfjaar met de belofte wanneer je goed werkt, een nieuw contract krijgt met opslag. Echter eens zo ver krijg je wel een nieuw contract, maar er wordt gezwegen over de opslag. Wat doe je?

2.5.2.1. PROCEDURAL JUSTICE

= is about the **perception** that employees have on the way how Human Resource management practices work and are applied in the organization.

- Five criteria (Leventhal):
 1. Internal consistency: avoid formal discussions about contradictions in the system
 2. Objective and free of self interest
 3. Based on factual information, evidence based justice
 4. Possibility of correction
 5. No exceptions; In line with ethical standards

2.5.2.2. DISTRIBUTIVE JUSTICE

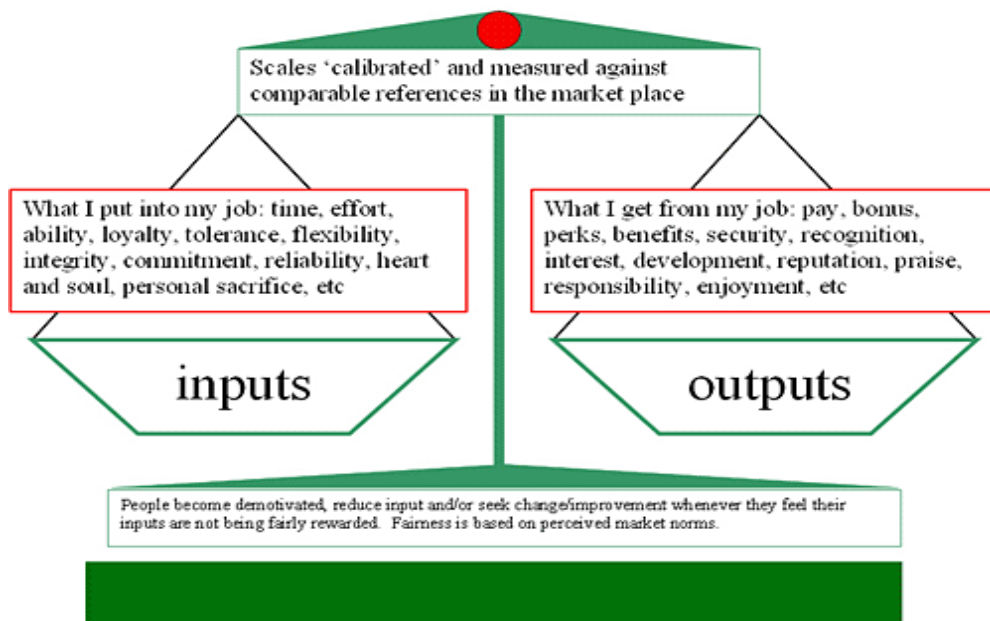
= is about the perceived justice of the outcomes or allocations that an individual receives within an organization.

- Equity theory (Adams, 1965):
 - Their input-output ratio versus other employees input-output ratio
- Employees compare themselves with their colleagues in function of compensation and input balance
- If the ratio is considered as unfair, they take conclusions and action (working less, asking for increase in salary, or leaving the organization)

Another part of 'justice'.

Dit gaat meer over de uitkomst.

Adams' Equity Theory diagram - job motivation



Moet in balans zijn -> minder hard werken, meer loon vragen, ander werk zoeken

CASE MICHAEL LEWIS

- Do you agree with his reaction?
- Use Adam's equity theory to explore
 1. The initial reaction of Lewis and
 2. The later reaction of Lewis to pay

Lewis is satisfied. Hij vergelijkt met zijn vader.

Later is hij niet meer tevreden: want drie anderen zijn evenveel betaald.

2.5.2.3. INTERACTIONAL JUSTICE

= consisting of informational and interpersonal justice

- Interactional justice consists of:
 - Informational justice: explain regulations and systems to employees, need for information, availability of information concerning rules and procedures
 - Interrelational justice: treat people respectful, equal, with politeness, ...

2.5.2.4. POWER RELATIONS

- Formalization leads to equity; we treat every employee on the same basis
- Equity may affect justice perceptions BUT it is not the same
- Formal rules as a protection against power games, putting self-interest above organizational interests
- Zero sum games: be cautious with performance-based pay

- *If I get an advantage someone else gets a disadvantage*
- *+10% salary A = -10% salary B*
- *Medewerkers worden gemotiveerd tot het nastreven van eigen voordelen ten nadele van andere medewerkers*
- *Performance related pay, as a source of conflict between individuals, fosters competition. Invoeren prestatiegerelateerde verloning altijd met de nodige voorzichtigheid om dit soort reacties te vermijden.*

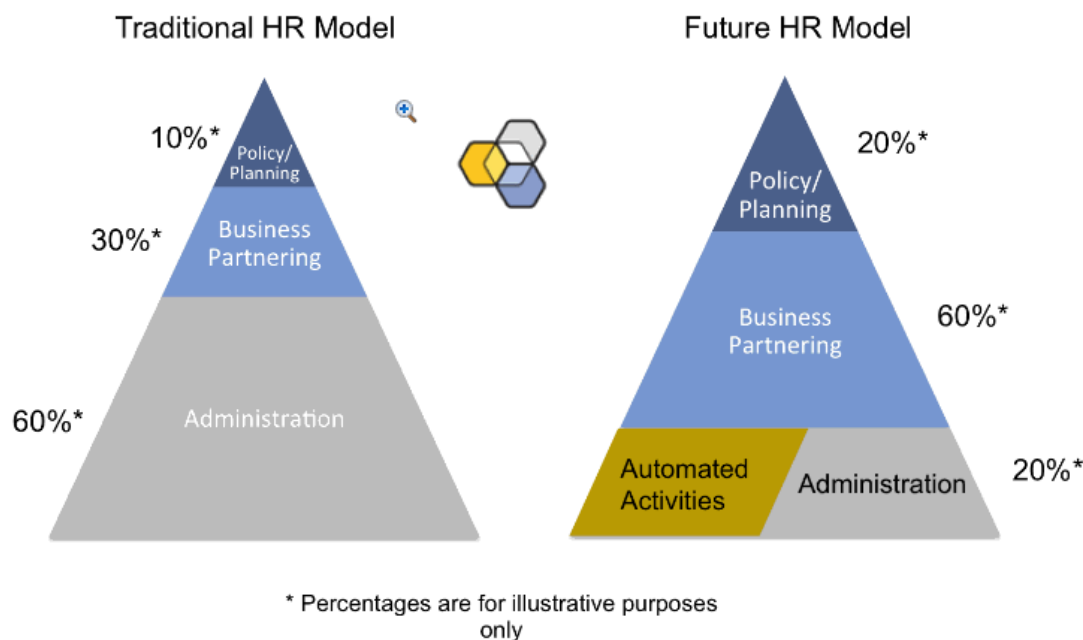
2.5.3 CHALLENGES: LESS ADMINISTRATION AND MORE STRATEGY

(Zie boek pagina 47) A central question in HRM is the changing role during the last 20 years. HRM is evolving towards an increasing strategic HR function.

The pyramid model of Spencer demonstrates the three different tasks of the HRM function.

Left: administrative tasks entail the highest cost and lowest added value; Strategic planning has the lowest cost and highest added value.

Right: administrative tasks are decreasing to the advantage of a more service-oriented and strategic development.



Een model dat nog vaak gehanteerd wordt in publieke organisaties.

2.5.4 CHALLENGES: RESULT-ORIENTED APPROACH OF HRM

- Strategy means result-orientation
 - *Service comes down to producing results for the purpose of fulfilling a particular need of a customer or an organization*
 - *Results are only valid when they are useful or deliver value*
- Added-value model of Human Resource Management
 - *Achievement of results is more important than monitoring of the processes*

- Accountability is based on proving results for the organization
- Stakeholders approach: employees, managers, government, trade unions/employer organizations, service providers

2.6 HR AGENDA FOR THE FUTURE: SOLUTIONS TO THE DELIVERY OF HRM SERVICES

2.6.1 HRM AND CONTINUOUS IMPROVEMENT

- Continuous improvement as a logic from quality management
 - *Continuous improvement is a central element in quality management systems and is focuses on making processes more efficient, customer friendly and performing*
- Improving service delivery
- Inspiration in the EFQM model of TQM

2.6.2 BUSINESS PROCESS REENGINEERING

As a result of the previous development (less administration and more services and strategy) the existing HRM processes have to be redesigned regularly. HRM is constantly subject to change.

Business Process (Re-) Engineering aims at reinventing and reorganizing existing HRM processes.

“HR professionals as administrative experts must learn to create value, not as they perceive it, but as the managers and other clients perceive it” (Ulrich, 1996)

- In order to define reengineering we can compare it with three other approaches:
 1. Administrative approach
 2. Internal process approach
 3. Strategic approach
- Difference between core processes and support processes. HRM is a support process in the value proposition of Porter
- ICT as a necessary and helpful tool for HRM

E-RECRUTEMENT

- Online recruitment on specific HR websites of large organizations (United Nations, Ugent, Selor, ...)
- Online and offline database of candidates
- Jobsites: Stepstone.be; Monster.be; Vacature.com; Jobat.be; Intermediar.nl; megajobs.nl

E-SELECTION

- Testing on line of new candidates
- Use of telephone for a first test
- Use of e-conferencing for selection

E-LEARNING

- Use of learning platforms
- Knowledge management platform
- Online library connecting to international libraries, Web of Science, ...

E-NETWORKING

- Use of e-mailing
- Use of newsletters
- Social media
- Apps

2.6.4 HRMIS (P61)

= *HRM information system refers to all ICT based information systems and applications*

- Spencer found following functional elements in an integrated HRMIS:
 - Automated system of data collection
 - Supporting HRM decision making
 - Interrelational databases
 - Customer friendly and integrated system
- We distinguish three areas of HRM that organizations can implement:
 - a. The operational area: *aims at activities that include traditional administrative tasks such as payroll and personal registration*
 - b. The relational service processes: *E-recruitment, E-selection, E-learning, E-communication, E-competence Management and E-networking*
 - c. The transformational area: *includes HRM issues of a strategic nature, such as strategic reorientation and renewal, culture change and knowledge management*
- HRMIS serves:
 - The HR-Manager: ICT support in all HRM systems and service delivery
 - The managers (decision making, data analysis)
 - The line manager (EPM (= employee performance manager) and competency management)
 - The employees (ESS (=employee self service))
 - External stakeholders of the organization

2.6.5 OUTSOURCING

= is the process of letting external suppliers perform particular organizational activities

<> insourcing

Co-sourcing refers to initiatives of shared services

- Make or buy decision

- *Should certain services be organized by the organization itself (make) or should we buy these services on the market (buy)?*
- Transaction cost approach of Williamson
 - *When the cost of transactions on the market exceed the costs of organizing these transactions yourself, reproduce them in the own organization (=make)*
- Ex ante and ex post costs
 - *Ex ante: costs before the contract is signed*
 - *Ex post: costs when the contract is already running*
- Transactions are easier to source out than transformations *because transactions are less complex*

REASONS FOR OUTSOURCING HRM SERVICES (P68)

- Operational reasons for outsourcing:
 - Efficiency
 - Cost reduction
 - Bringing in expertise
 - *Short term vision about outsourcing*
- Strategic reasons for outsourcing:
 - Strategic focus on core activities
 - Spread of risks
 - *Long term vision about outsourcing*

The following table provides an overview of outsourcing in Belgium. Notify that 20% of the companies leave recruitment up to external service providers, while less than 5% of the organizations leave assessment and career management to externals.

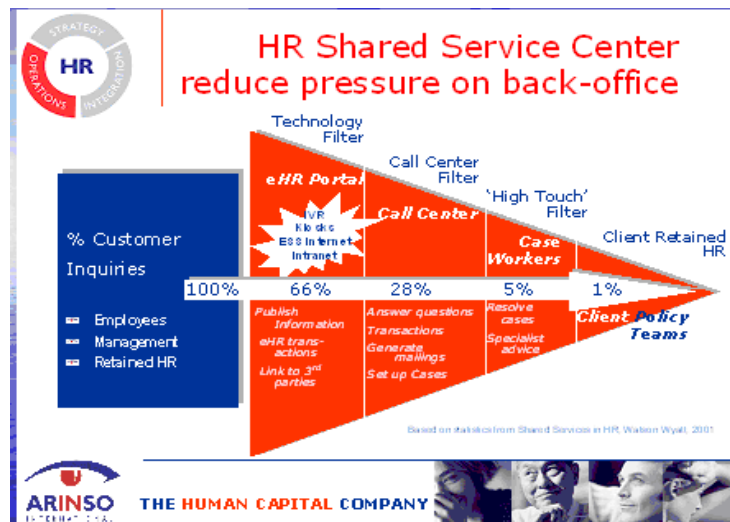
	Outsourced
1. Payroll	71,8
2. Training of employees	60,5
3. Temporary work	52,6
4. Recruitment and selection of executive and support staff	20
5. Advice related to personnel policy	18,4
6. Recruitment and selection of managerial staff	15,1
7. Preparation of job and wage classification	7,6
8. Assessment	4,5
9. Career management	2

2.6.6 SHARED SERVICE CENTERS

= is a construction in which the service is bundled into a new semi-autonomous unit that provides its services to other entities of the organization

- Shared service in new semi-autonomous unity

- In the middle between departmental and external service delivery
- Cheaper service, more expertise, cost reduction
- *To avoid a complete outsourcing, organizations prefer a SSC*



BPR with aid of ICT

Geen oplossing -> uitzonderingen maken

Shared services are characterized by following components:

- Result oriented
- Specialization
- Internal autonomous department
- Internal contracting
- SLA relationship
- Budget based
- Market driven

2.7 CONCLUSION

- Necessary evil OR necessary high level service delivery
 - *Because it is not directed at the real core activities of HRM. Often this implicates that the transactional activities are considered as inferior and less important*
- Leads to credibility of the HR-Department
- HR-Manager as an 'administrative expert'
- HR-Manager as a 'juridical expert'
- HR-Manager as an ICT specialist
- Instrument is a mean to realize added value, not a goal in itself
- Need for shared service delivery with other HR players
- Need for service oriented approach

EXAMPLE EXAM QUESTIONS

- How did the history of management influence the function of HRM today.
- What is the added value of the instrumental dimension when it is in balance?
- Give an example of scientific management in a current work environment. Explain McDonalidization.
- Explain how societal shifts have impacted job analysis.
- To what extent can you influence justice perceptions at work? Provide 3 forms of justice.
- How can the HR agenda pertaining to the instrumental dimension have an impact on other dimensions?

3 PEOPLE DIMENSION

- Motivation, working conditions, leadership, internal communication
 - *Approaches the human side of enterprise*

Geeft bijvoorbeeld aandacht aan de herkomst van stress

- *Not always in harmony with the instrumental dimension. It pays attention to other aspects of the employability of employees, such as work/life balance, motivation, leadership, work environment and work conditions.*

CONTENTS

1. History: from discipline to participative management
2. Motivating people: the core problem in organizations
3. Leadership and management as added value
4. The core functions of the people dimension

3.1 HISTORY OF PEOPLE MANAGEMENT

- *From discipline to participative management*

HUMAN RELATIONS: THE ATTACK ON TAYLORISM

Taylorism: the man is a mechanical component in the radar work of the organization as a machine

Academics and business leaders moved since the 30's in the direction of the humanization of the work process

- Hawthorne experiments (Mayo, 1928): fatigue versus boring
 - *Fatigue: physical condition*
 - *A worker requires rest periods, recovery, ...*
 - *Boredom: psychological state*
 - *"Work does not only serve to support life, but can (or should) be fascination"*
- Research in group dynamics: the formal versus the informal group
- Paying attention to people increases labor productivity
- The search for respect and treating people well in the employer – employee relationship

REVISIONISM: PSYCHOLOGY ON THE WORKFLOOR

= means literally the revision of the previous HRM approach. Formulates adaptations to this approach, especially on the field of psychology

- Maslow: a theory of social needs
 - *Employees with specific needs are present in the organizations*
- Herzberg: a theory of dissatisfiers and satisfiers

- Likert, Argyrus: result orientation and people orientation in management
- 'The Human Side of the Enterprise': theory X and theory Y (McGregor, 1960)

THEORY X	THEORY Y
People hate working	People love working
Direct supervision and control is required	Control and threat of punishment are not the only means
People have no ambitions and avoid responsibilities	Personal goals and business objectives can be reconciled
Employees are lazy and non-creative	Not lazy and has no innate aversion to work
Natural soldiering	Power of imagination, ingenuity and creativity

TOWARDS MORE PEOPLE MANAGEMENT

- Miles: first time that someone mentions Human Resource Management (1965)
- Roethlisberger: first sign of a personnel department (1956)
- Barnard ('30s): organizations as cooperative forces and making use of informal group processes. An organization as "a system of consciously coordinated activities or forces of two or more persons"
 - *Informal groups = positive. They provide cohesion, integration and communication channels*

3.2 THE NEED FOR MOTIVATION AND PEOPLE MANAGEMENT

Motivation remains one of the key problems. Motivation is important because motivated employees are supposed to achieve good results.

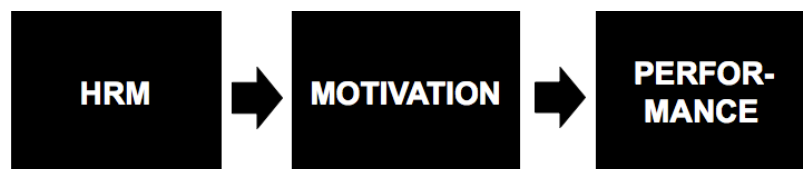
MOTIVATION AS CENTRAL TO HRM

I. Motivation: a core problem in people management: law of action and reaction

II. Commitment versus compliance model of HRM

III. Motivation through different strategies (money, incentives, social compliance, participation, goal setting, commitment, etc...)

3.2.1. THE EMPLOYEES: THE NEED FOR MOTIVATING THEM



Is motivation the same of commitment? -> Commitment is the result of motivation

Extrinsieke motivation and intrinsieke motivation

In our relationship with other people we have a number of motivational mechanisms to enforce a particular behaviour from each other. It is important to influence the behaviour of employees in a desirable direction for the organization. Relying on the work of Parsons, we distinguish four approaches to influence human behaviour in an organization:

	EXTERNAL	INTERNAL
NEGATIVE	(Threat of) physical violence leads to subjugation (onderwerping)	Reduction in working conditions, social exclusion, prohibiting participation, harsh individual competition lead to complaints , bad social feelings, isolation
POSITIVE	Positive remuneration (performance related pay, bonuses, ...) leads to a utilitarian commitment	Consultation, inclusion, improving working conditions, participation, diminishing complaints leads to compliance

External + positive: strategic behaviour. Mensen zijn gelukkig als je betaald.

3.2.2 MOTIVATION THEORIES: SOCIAL EXCHANGE THEORY

- Social versus economic exchange (Blau, 1964)
 - *Social exchange: "favors that create diffuse future obligations, not precisely specified ones, and the nature of the return cannot be bargained about but must be left to the discretion of the one who makes it"*
 - Long term
 - Entail trust and diffuse obligations
 - *Economic exchange*
 - Short term
 - Material resources
 - Focus on the fulfilling specific obligations of the formal contract
- Inducement-contribution exchange stands central
 - *Inducements (= prikkels) lead to felt obligations to reciprocate by offering favors in return*
- Mutual obligations
- Trust as the corner stone of social exchange
 - *Because social exchange encompasses the risk that the investment will not be repaid*



Kan een examenvraag zijn: link Parsons of een andere theorie met deze sociale exchange theory

The employment relationship is conceptualized by Tsui as a concept with two dimension:

- First dimension: **offered inducements**. Examples of HRM inducements are training and development, participation, career paths, job security, salary and extralegal incentives
- Second dimension: **job requirements**. Includes in-role performance requirements and extra-role requirements regarding initiative taking, making continuous improvements and implementing new ideas

Collapsing these two dimension generates four categorical types of employment relationships:

1. Mutual investment relationship: both dimensions are high
 2. Quasi-spot contract relationship: both dimensions are low
 3. Under-investment relationship: job requirements are higher, offered inducements are lower
 4. Over-investment relationship: offered inducements are higher, job requirements are lower
- > Mutual investment outperforms the other employment relationships.

	Low expectations	High expectations
Low rewards	Quasi-spot contract	Under-investment
High rewards	Over-investment	Mutual investment

3.2.3 MOTIVATION THROUGH COMMITMENT

Van naleving tot inzet.

- Commitment versus control
- Compliance and commitment:
 - Compliance (*or consent*) is passive, about working conditions, assumes conflicting interests
 - Commitment is active, about intrinsic motivation, identification with organization



Scientific research distinguishes three forms of commitment:

1. Affective commitment

Refers to how individuals identify with the organization and want to belong to the organization. It is an emotional binding of the individual with the organization and a feeling to belong to the organization.

2. Continuance organizational commitment

Is defined as the willingness to stay in the organization and often operationalized as the perceived costs and benefits for an employee to leave the organization. The employee is concerned about his salary, extra-legal benefits, other financial incentives and extra labor conditions.

3. Normative organizational commitment

Is based upon the identification of the employee with the values, the norms and goals of the organization. It is a relationship with the organization as the result of the feeling of moral obligation to stay in the organization.

COMMITMENT MODEL OF HRM

- Control versus commitment model of HRM (Walton, 1985; Arthur, 1994)
 - The commitment model leads to more **participation** in management decisions, greater presence of formal **collaboration** systems (project groups, consultation), more attention to training in joint problem solution and **socialization programs** for employees (for example a warm welcome of new employees).
 - Control approach:
 - *Appliance: employee are the enemies*
 - *Contact is juridical, employee should apply to this and doesn't do anything that isn't in it*
 - Commitment approach:
 - *Investing in employees to make them motivated and committed beyond the juridical contract -> psychological contract (mutual commitment)*
 - *Decentralizing*

- AMO model (Appelbaum et al, 2000)
 - Three components that can influence the discretionary behaviour of the employee:
 - Knowledge and competence (ability or competence)
 - Incentives and stimuli (motivation)
 - Have the opportunity to make joint decisions and participate (participation)

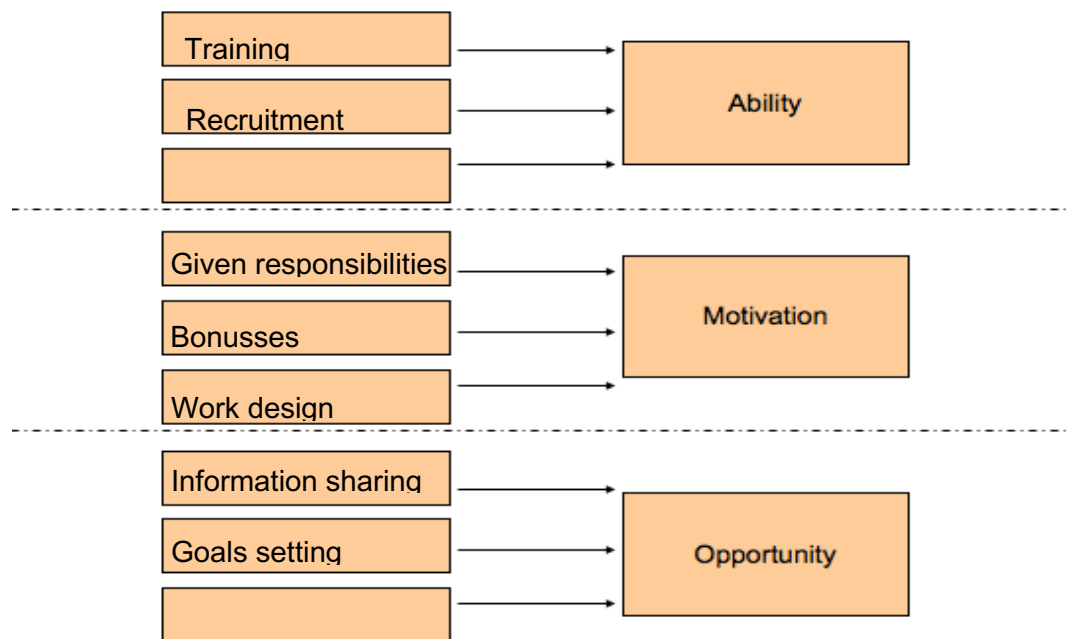
1. Knowledge and skills

2. HRM incentives and stimuli

3. Opportunity to participate and joint decision making



COMMITMENT MODEL OF HRM



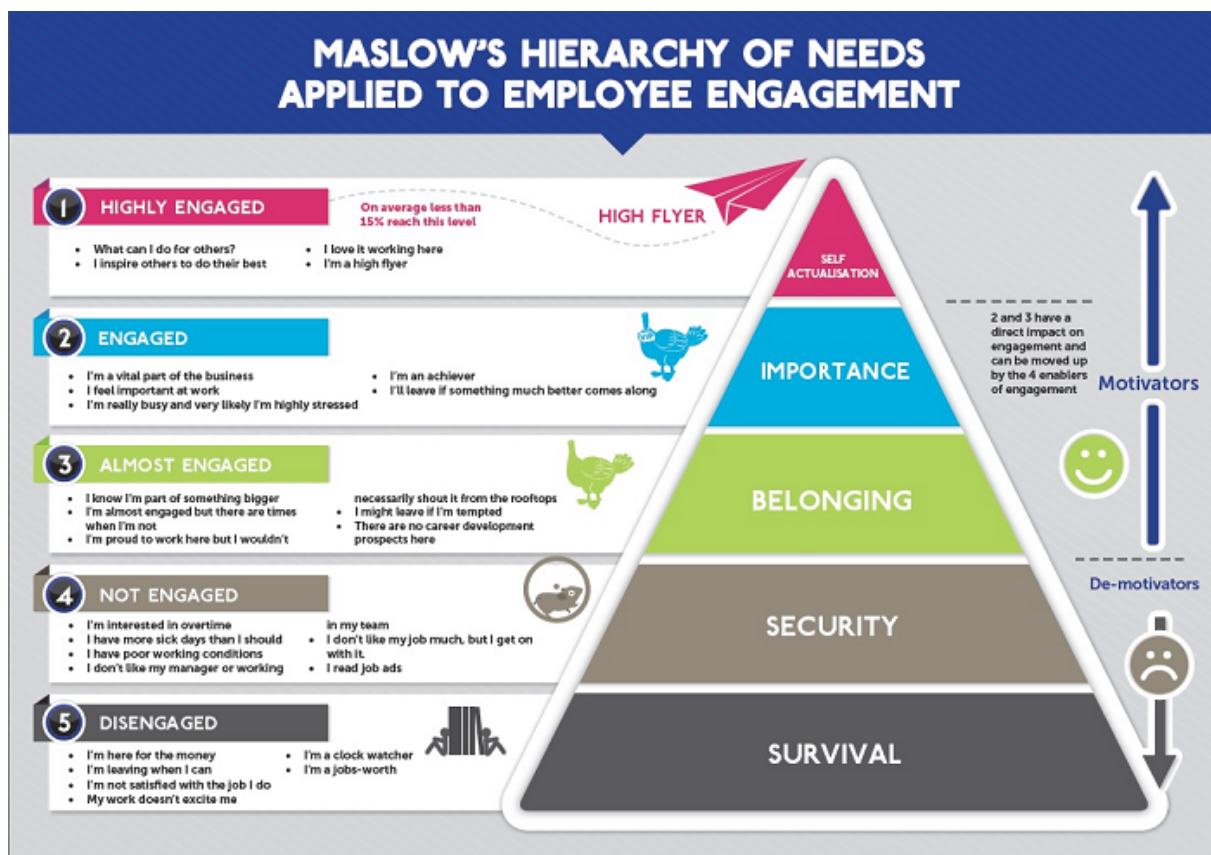
COMMITMENT MODEL OF HRM (ARTHUR, 1994)

CONTROL	COMMITMENT
Centralization	Decentralization
No participation	Participation
No training	Training
No social activities	Social activities
Low wages	High wages
No benefits	Benefits
Direct supervision	Indirect supervision (self-control)
Individual bonus	Team bonus

3.2.4. OLD THEORIES OF MOTIVATION & INSIGHTS ABOUT HRM PRACTICES (P96)

1. Maslow
2. Herzberg

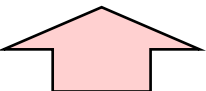
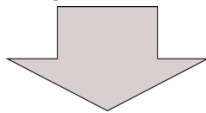
The motivational theory of Maslow classifies different needs in the hierarchy of needs. Maslow distinguishes five different needs: the biological need, safety and security, social needs, self-esteem and self-realization. Each dimension can be fulfilled at the workplace.



Herzberg also worked with the theory of needs of Maslow, but made a distinction between hygiene and motivation factors.

- Hygiene factors or dissatisfiers: do not cause any motivation with the employees, they only prevent dissatisfaction or demotivation
 - *Dissatisfiers that lead to satisfaction of basis needs and not to motivation are related to external working environment and conditions*
- Motivation factors: personal development, appreciation, being successful and achieving goals
 - *Factors that lead to motivation are related to the content of the work*

Hygiene factors	Motivators
Basic pay	Content of the work
Supervision	Acknowledgement
Company policy and administration	Responsibility
Interpersonal relations	Progress
Working conditions	Working with objectives and getting results

MASLOW		HERZBERG
Self-actualization need	Promotion, personal growth, goal setting; empowerment	MOTIVATORS 
Esteem needs	Status, responsibility, leadership, approval	
Love and belonging needs	Team work, employee – employer relation, work groups	HYGIENE 
Safety needs	Safe working conditions, job security, tenure	
Physiological needs	Basic salary, heat, work rest	

HERZBERG ABOUT MOTIVATION

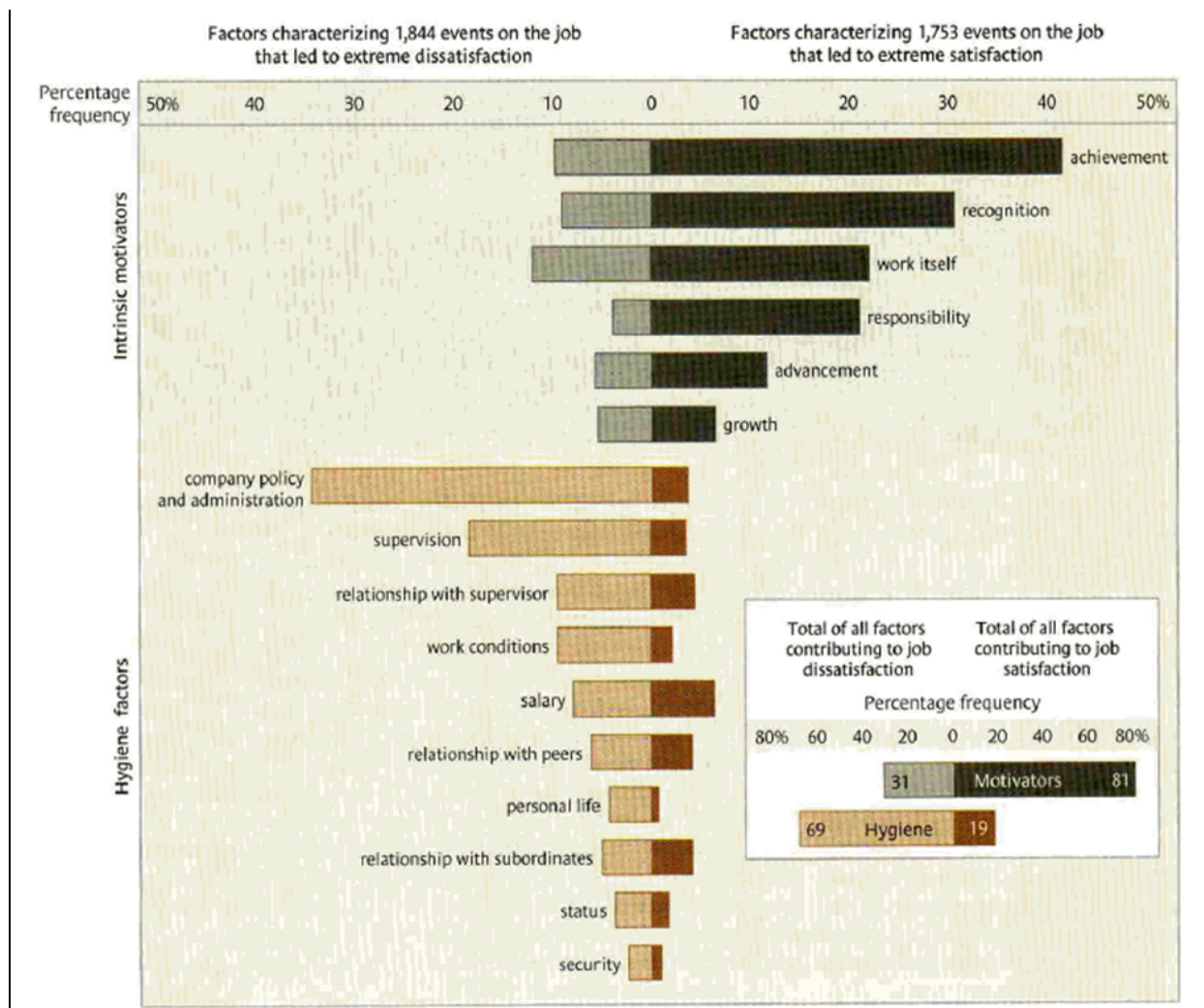
Herzberg begins with the following remark: “forget praise, forget punishment, forget cash. You need to make their jobs more interesting.”

He came to this conclusion because of a study of 1685 employees whom he asked which events in their job had led to satisfaction and which had led to discontent.

Herzberg listed the answers in two categories:

- Intrinsic motivators: evoke satisfaction and motivate employees to deliver great efforts. In the absence of these factors, displeasure is not immediately presented
- Hygiene factors

See figure below:



Job rotation

Job enlargement

Job enrichment

3.2.5. HRM: KEY NOTIONS FOR MOTIVATING EMPLOYEES

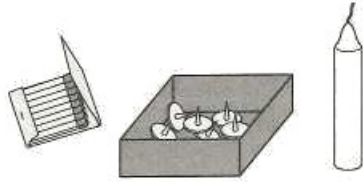
Four prominent motivational factors: money, empowerment, participation and goals. Giving or receiving feedback is an important additional factor.

- Central question: How to motivate people?
 - Is money a motivator? And what about psychological terror?

- Money, empowerment, goals, participation and feedback as the big five

3.2.5.1. MONEY AS MOTIVATOR

The Candle Problem



Given a book of matches, a box of thumbtacks, and a candle, how can you fix the candle to the wall so that its wax won't drip onto the table below?

- Taylorism installed premium systems such as variable pay systems in industrial organized production systems
- They believe that people get motivated when the necessary material incentives are at work
- *Money is not the biggest motivator for employees*
- Skinner based practice

EXPECTANCY THEORY OF VROOM

- Employees are motivated to make greater efforts if they believe that:
 - When their work leads to good results and appraisal
 - When a good appraisal leads to an extra pay or promotion
 - When the extra pay or promotion fits into the individual goals of the employee

THE DISCUSSION ABOUT MONEY

There is a difference between the **fix part** and **variable part** of remuneration. The fix part is necessary. The analysis of motivation is mostly about the additional remunerations (performance related pay, fringe benefits, bonuses, ...). Most organizations have complex systems of remuneration, making it difficult to determine motivators and demotivators.

- Two camps:
 1. performance related pay as an incentive leading to higher performances (Taylor, etc.)
 2. performance related pay as killing motivation (Herzberg, Locke, McClelland)
- Short term and long term influence of money
- Depending on different kinds of pay systems and the sector
 - *For simple tasks, performance related pay systems lead to employee motivation. Bonuses lead to better and higher performance.*

3.2.5.2. MORE AUTONOMY AS A MOTIVATOR FOR THE EMPLOYEE

AUTONOMY LEAD TO MOTIVATION

- Empowerment
 - *Is a means the organization can use to increase motivation and productivity*
 - *Is a process of 'guided autonomy'*
- Self Determination Theory (Deci & Ryan, 1985): three important psychological needs: need for autonomy, solidarity, and competence
 - *Empowerment is based on the idea that people want to achieve self-determination in the organization of their work and life*
- Responsible autonomy model (Friedman, 1977; Williamson, 1983)
 - *= the employee is assigned a form of responsible autonomy in the course of his work*
 - *<> Direct Control model: direct control is exerted over the employee*
- Human resource management: the search for more autonomy
 - *The need for autonomy fits the picture of HRM*

AUTONOMY IS EMPOWERMENT

- Old idea: job enrichment as the solution for motivating employees (Herzberg, 1968)
- Now: empowerment
- More individual responsibility and accountability instead of direct task control and supervision
- There is a corresponding enthusiasm for more sophisticated, culturally based control processes geared to effective socialization and personal development (Reed, 1992)

EMPOWERMENT AS A COGNITION

Empowerment is a mindset or a cognition that employees have about their job in the organization. It is an internalized commitment to the job itself. Psychological empowerment is based on how the employee interprets their work.

These interpretations fall apart in four dimensions:

Meaning: fit between work role and employee's values and beliefs

Impact: belief that one's job makes the difference

Self-determination: having control over the way one does one's work

Competence: belief that one has the ability to do the job well

- **Meaning:** the value of their job goals is judged in relation to the own ideals
- **Impact:** the extent to which employees perceive their behaviour as making a difference in the organization
- **Choice and self-determination:** the extent to which employees perceive their behaviour as self-determined. 'What I am doing here matters', 'I can make a difference in the organization'
- **Experienced self-efficacy**

3.2.5.3. PARTICIPATION

The demand for more participatory management is strongly present in HRM.

DEVELOPMENTS IN PARTICIPATIVE MANAGEMENT

A number of developments give rise to more democratic and participatory practices in a workplace:

1. The power-sharing in modern organization, power is dispersed and multifocal
 - *Production or service process has become so complex, that clear and simple power execution is impossible*
2. The need for joint decision making and problem solving in the work process in organizations
 - *The introduction of teamwork leads to financial success*
3. The development toward more multi-disciplinary and cross functional teamwork
 - *Added value comes from the interdisciplinary approach to problems*
4. Quality management as a lever (= *hefboom*) to improve quality through joint discussions and decision making
5. Need for innovation and flexibility in problem solving and finding creative solutions
 - *Participation is a means to obtain new ideas for unprecedented solutions*

All these developments implicate that we have to deal more and more with negotiation. The growing expertise of employees leads to more egalitarian power relations. Participation is not so much a desirability but a necessity to achieve a good service.

PARTICIPATION AS A BASIC NEED IN ORGANIZATIONS

Participation fulfils a need for more control over the work environment.

- Argyris: need for autonomy goes back to basic needs
- The quality of joint decision making increases the quality of production and service delivery and client orientation
 - *Participation contributes to better results*
- Participation as a dependent variable of organizational cultures (power distance)
 - *The effectiveness of participation can vary depending on the culture in which it is applied*
 - *In cultures with a high degree of power distance and strong individualism, the effect of participation in the process of objective-setting is low*
 - *Cultures with less power distance and more collective-oriented interactions, participation lead to a greater effect*

3.2.5.4. GOAL SETTING

Goal setting theory within HRM is considered as one of the most important motivational theories of organizational behaviour.

THE ORIGINS OF THE GOAL SETTING THEORY

- Goal Setting Theory (Latham & Locke, 1979) as the most efficient motivator
- Motivation is a goal-directed behavior (Armstrong)
 - *People are motivated when they realize that a certain action can lead to achieving a goal*
- Line of sight (Boswell): goals on different levels, vertical alignment
 - *Implies that employees know and understand the objectives of the organization, but also realize what kind of behaviour or actions are necessary to achieve these goals*

EFFECTIVE GOAL SETTING

- Conditions for high performances (Armstrong):
 - If goal setting is specific
 - If goals are challenging
 - If goals result in feedback and appraisal
- The universal implementation of goal setting all over the world
- Goal setting affects the individual decision making, the willing to work and taking initiative
- Sense making: employees feel meaningfulness

3.2.5.5. CONTEXTUAL FACTORS OF GOAL SETTING

- Employees need competence and development: link between performance and competency management (personal development plan)
 1. *Successful performance management of the employee implicates that the necessary skills to achieve specific results are present*
- Employees participate in goal setting and as such are committed to the organization
 1. *The necessary participation must exist to achieve a joint formulation of objectives*
- Feedback as a necessary condition and a driver for performances
 1. *Feedback is needed to obtain information about the monitoring of the objectives and, if necessary, to carry out the appropriate adjustment in order to achieve the goal*
- Job complexity, interesting jobs and more goal setting oriented job design
 1. *Attractive jobs give more possibilities to motivate than boring jobs*
- Material preconditions for goal setting
 1. *Performance management is only successful when the material and immaterial conditions are present to achieve certain objectives*

3.2.5.6. FEEDBACK

FEEDBACK AS A PRECONDITION FOR PERFORMANCE MANAGEMENT

- Feedback in line with systems theory
 - *In the system theory, the importance of feedback is strongly emphasized*

- *Feedback is essential to achieve good results*
- Different levels of feedback:
 - Organizational level: to monitor and evaluate the strategic objectives
 - *Balanced scorecards, performance measurement systems, quality measurement systems, ...*
 - Team level: to report achieved objectives, make adjustments and organize an evaluation
 - KPI's, objectives
 - Individual level: results of the employee
 - role of the supervisor, EPM, 360° feedback

NECESSITY OF FEEDBACK

- Feedback-seeking behavior: *implies actively searching for information about his/her performance*
- Can be divided into:
 - Asking feedback. Individual self-correction (personal feedback)
 - Organizational environmental feedback (performance measurements, observations)
- Feedback leads to higher job satisfaction and individual performances
- Feedback is incorporated in the employee performance management system

3.3. LEADERSHIP AND MANAGEMENT

it is important to find the right balance between different aspects of leadership: support, task orientation, people orientation, process orientation, conflict management, decision making, innovation and concern

SOME FIGURES (SOURCE: SCHERMERHORN & BACHRACH, 2016)

- less than 40% of employees believe that leaders most often act in the best interest of the organization
- A substantial proportion of employees feel that managers aren't willing to admit when they've made a mistake (78%).
- Thirty-three of managers are perceived by followers as "strong-leaders"

Can firms be competitive when less than 40% of employees believe that leaders most often act in the best interest of the organization – i.e., that they're working to achieve organizational goals? What happens when employees mentally disregard managers' input and advice (which they essentially don't trust)?

A substantial proportion of employees feel that managers aren't willing to admit when they've made a mistake (78%). What are some of the critical personal characteristics (as a manager or leader) necessary to admit when you've made a mistake? Understand when you've done something "wrong"? Recognize when you need to "do better" in the future? Be as specific as possible? What steps can organizations take to help managers improve on the quality of "management" that they deploy? What kinds of training approaches are likely to be helpful for managers who need help become more effective leaders?

Thirty-three of managers are perceived by followers as “strong-leaders”. This is an extremely stark statistic. In your experience, what are some of the likely critical differences between managers perceived as “strong-leaders” and those not perceived this way? What are some of the differences in the ways in which “strong” versus “other” managers make decisions? Interact with employees? How would you rate the managers at your work? Why, specifically?

3.3.1. CHANGING ROLE

Due to the increasing complexity of production and services, the importance of executives and managers increases systematically. These changes have led to different roles for the executive and manager in the organization.

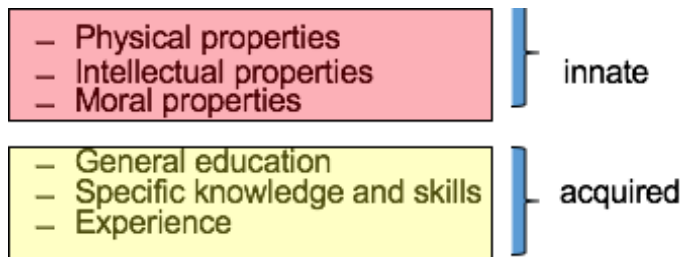
- The changing role of leaders today: to more transformational leadership
- Complex relationship between leader and manager
- Seniority versus the need for **competent** leaders and managers
- The need for visionaries

3.3.2. EVOLUTION IN LEADERSHIP THEORY: FROM TRANSACTIONAL TO INNOVATIVE LEADERSHIP

- Transactional leadership
- Social leadership
- Situational leadership
- Transformational leadership
- Innovative leadership
- Strategic leadership

3.3.2.1. TRANSACTIONAL LEADERSHIP

- Focus on flow of organizational operations, predictability and productivity
- Relationship between managers and employees is viewed as a transaction between manager and employee
- Employee performance => reward
- Link with instrumental dimension: *rules, procedure and performance standards are essential*
- Chore tasks: planning, organizing, instructing, coordinating, controlling (Fayol, 1916)
- Focus on stability and predictability in an organization
- Research in the first half of the 20th century is focused on *traits or inherent properties* of the leader.
- Fayol's leadership theory distinguishes:



3.3.2.2. SOCIAL LEADERSHIP

- Leadership is a matter of setting the right behavior
- Two leadership styles:
 - Task oriented style: with a focus on task focus and result achievement
 - Relation oriented style: with a focus on personal motivation, taking care about people, and building constructive relationships
- Leadership can be learned

LEADERSHIP ISSUES

As work gets more and more complex, and managers are forced to make more and more decisions with less and less time, they increasingly use heuristics and shortcuts to make decisions that they simply don't have the time to think about in more depth. This can lead to managers playing favorites – choosing those in the “inner circle” for choice assignments, bonuses, advancement opportunities, etc.

If those that are “chosen” are qualified, is this fair?

Why or why not?

Lead question 1 – As work gets more and more complex, and managers are forced to make more and more decisions with less and less time, they increasingly use heuristics and shortcuts to make decisions that they simply don't have the time to think about in more depth. This can lead to managers playing favorites – choosing those in the “inner circle” for choice assignments, bonuses, advancement opportunities, etc. If those that are “chosen” are qualified, is this fair? Why or why not? Please be as comprehensive as possible in developing your answer.

Follow-up: Do you have a tendency toward favoritism – choosing your friends over those you don't really know that well? Do you think that most people do? Why?

Lead question 2 – What are the primary implications of playing favorites? Does it matter if you only choose “qualified” favorites? How do these issues change when you choose a favorite who isn't necessarily qualified?

Follow-up: What are the consequences for managers' professional reputation if unqualified favorites are chosen for special assignments, etc.? What about for managers' professional productivity? To what extent are these consequences likely if only qualified favorites are chosen? Why, specifically?

Lead question 3 – At the other end of question, how would you – as an employee feel – working for a manager who chose favorites – even qualified favorites? In what ways would your experience depend on whether you were “in” or “out” with the manager, specifically?

Follow-up: How would being on the “inside” with the manager impact your motivation? Your commitment to work? Your loyalty? In contrast, how would being on the “outside” with the manager impact your motivation? Your commitment? Your loyalty? Would you try to change your status with the manager if you were on the “outside”? How would you go about doing this, specifically?

Lead question 4 – Should organizations get involved in the issue of managers playing favorites? Is the issue more primarily about who the manager “likes” or “doesn’t like” or about making choices based on qualifications/knowledge/skills/abilities, etc.? That is, why should it matter if the manager tends to pick those employees with whom he/she is closest if these employees can get the job done?

Follow-up: As an upper level executive, how would you go about intervening in a situation where a manager was playing favorites? What steps would you take? Why? What specific organization-level/strategic consequences do you see being associated with managers playing favorites?

(2) MAKE IT AN IN-CLASS OR VIRTUAL TEAM EXERCISE

In small groups, have students share with one another their thoughts as relates to the question of managers playing favorites. What happens to employees who’ve become marginalized as being outside of the manager’s inner circle? Whose performance potential is left untapped because they don’t have a close relationship with the supervisor? To the customers whose interactions are only with those employees that the boss “likes”? Is it fair that employees are judged – or that decisions are made about their professional activities and assignments - based on personal factors like whose friends with the boss? What happens to the vast majority of employees who don’t end up being in the bosses “inner circle”, but have the knowledge/skills/abilities to do high quality work?

Managers play a critical role in organization’s success. As the competition for human capital in the knowledge economy becomes fiercer it is essential that firms effectively leverage what they’ve got. How does the phenomenon of playing favorites relate to effective utilization of available human capital, specifically? Although favorites may be “qualified” for the positions managers give them, how does looking to favorites “first” impact managers’ ability to objectively evaluate the human capital of employees who aren’t in the inner circle? Think about your own friends – can you look at them “objectively”? How do your personal feelings impact your capacity to make an objective evaluation? How does this same kind of “positive bias” likely play out in organizational settings? Work and personal life operate according to different rules. In light of how many stakeholders are involved and the resources are at stake, how would you go about separating your “personal favorites” from the best person for the job – in your own mind – and then making the “right” decision? Specifically? Please talk about the specific issues in the case.

Have students share their perceptions of the critical issues present here. Where do you personally stand on the issue of playing favorites at work? Why? In what ways does this issue reflect issues present in society today?

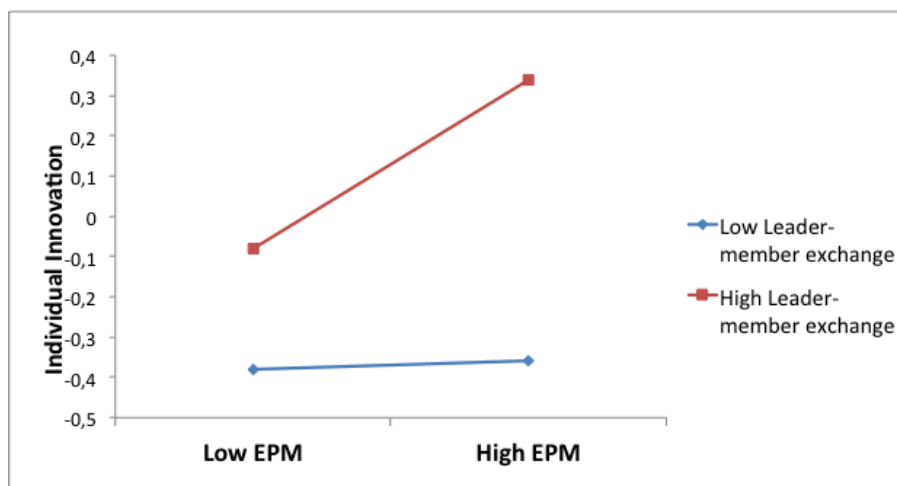
Ask groups to report their discussions to the class at large.

Engage the class as a whole to summarize views about issue of playing favorites at work. How does the class stand on the issue of using social networks for professional benefits? How is the issue of social networks different from the issue of playing favorites? Do students see the public, broadly, being comfortable with the idea of leveraging personal, social networks to get a job/interview/promotion? Why or why not, specifically? Are these different issues? Why?

SOCIAL LEADERSHIP

- Leader-Member Exchange Theory (LMX) *focuses on the interaction between the leader and the subordinate*: relationships between employees and their leaders differ in:
 - Contribution
 - Affect
 - Respect
 - Loyalty
 - *This line of research has demonstrated that high quality LMX, characterized by high trust, mutual respect and support, is related to positive outcomes, such as higher levels of commitment and overall job-satisfaction, less intentions to quit, enhanced job performance and improved job promotion opportunities*

RESEARCH RESULTS IN ELDERLY CARE



Source: Audenaert, M., Decramer, A., George, B., Verschuere, B., & Van Waeyenberg, T. (2016). When employee performance management affects individual innovation in public organizations: The role of consistency and LMX. *International Journal of Human Resource Management*,

SOCIAL LEADERSHIP

- Organizations pay more attention towards emotional intelligence and attitude to perform supervisor and managerial roles: important for leaders
 - **Self-awareness**: read and understand employee emotions
 - **Self-management**: be under control and striving for excellence
 - **Social awareness**: empathy, navigate politics
 - **Social skill**: influence others, communication skills, networking skills

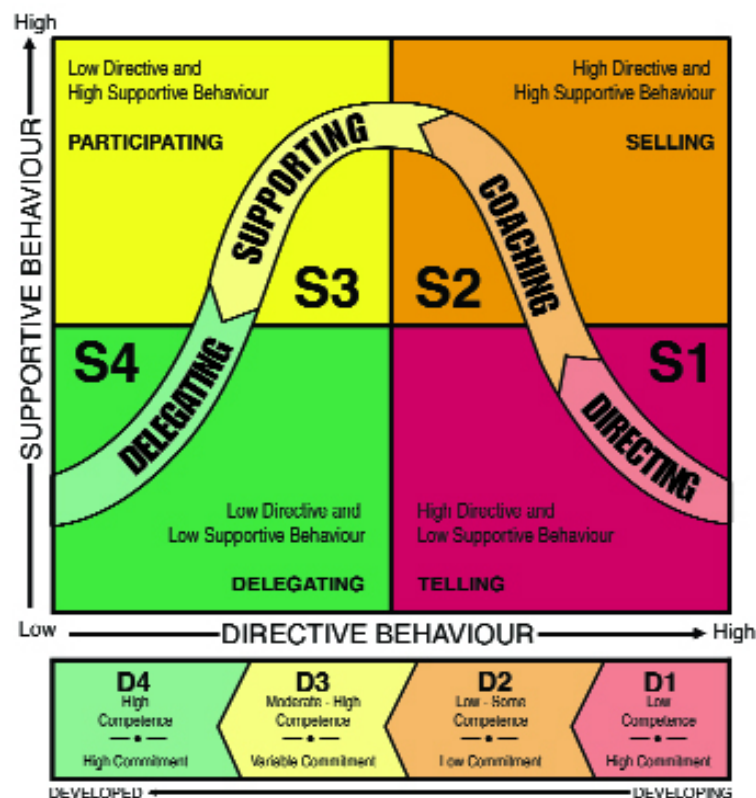
3.3.2.3. SITUATIONAL APPROACHES (1970-1980)

- The effectivity of leadership depends on contingent factors.
- The situational leadership style of Hersey & Blanchard (1967) describes how leaders should behave, taking into account the level of development of employees and the contingencies of the internal/external environment

- Executives must take into account the characteristics of the employee and the situation in which leadership is given in order to adapt the leadership behavior

SITUATIONAL LEADERSHIP

- The extent of task maturity can differ according to the contents of task or functions.
- Situational leadership distinguishes 4 different categories of task maturity
- The model is focused on the amount of steering and communication of employees needed to fulfill the exigencies of the function
- The final objective is to make employees more autonomous, entrepreneurial and accountable



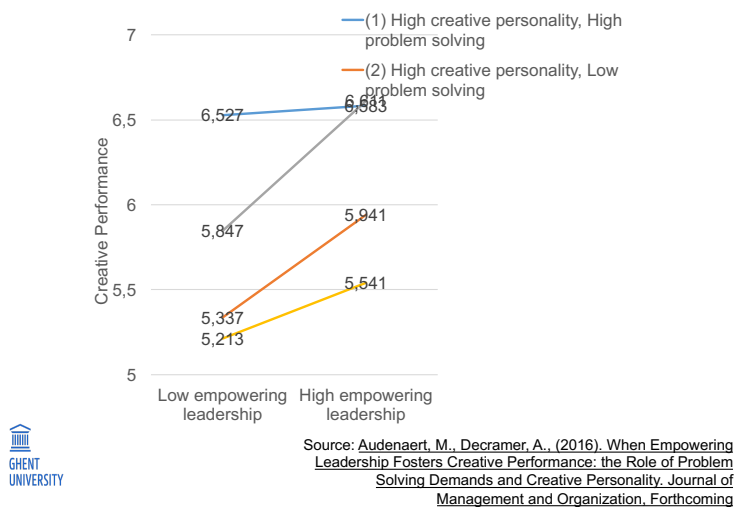
- 4 categories of task maturity:
 - S1: lowest-> juniors, don't know a lot
 - S2: junior with some experience
 - S3: senior
 - S4: partner, fully accountable
- According to level of task maturity you adapt the level of style

MORE CONTINGENT FACTORS

- Team related contingencies: the level of team management, intensive team management leads to more autonomy
- Job complexity: more complex jobs lead to more complex management styles
- Organizational culture:

- Personal competencies of the leader/coach
- Environmental culture

RESEARCH RESULTS ON EMPOWERING LEADERSHIP (COACHING)



3.3.2.4. TRANSFORMATIONAL LEADERSHIP

- *Is primarily a change-oriented leadership*
- Importance of leadership as a change manager and visionary person
- *Focuses on increasing the involvement and commitment of employees to organizational goals*
- Leadership based on communication, convincing others, trust, and negotiation, participation
- Ambition and strategic insight of the leader
- Inspiring people, teams and line managers

WHY DO LEADERS NEED TO CONNECT AT AN EMOTIONAL LEVEL? – GOLEMAN



3.3.2.5. INNOVATIVE LEADERSHIP

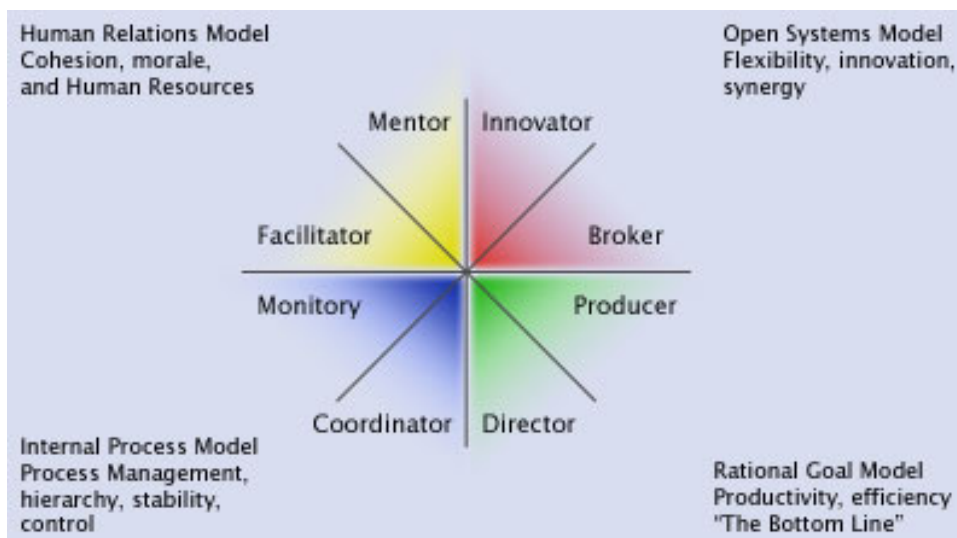
Deals with coaching leadership that focuses on complex services in complex organizations. This approach lays emphasis on learning and innovative organizations, especially in which self-direction, involvement and autonomy grow in importance..

- Focuses on complex services in complex organizations
- Towards learning organizations in which self-direction, involvement and autonomy grow in importance
- Effective leadership results in more adaptive and creative employees in response to wider external influences

COMPETING VALUES FRAMEWORK (QUINN, 1997)

Quinn articulates the likely requirements of effective contemporary leadership as being:

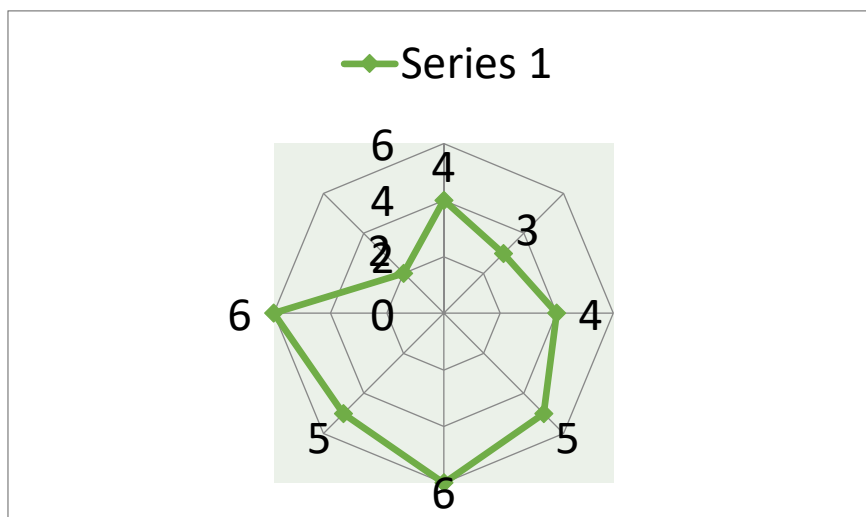
- Increased honesty about what meaningful results leaders want to create
- The display of behaviors which are congruent with their inner core values this increasing integrity, authenticity and confidence
- Act in a way which puts the needs of the organization as a whole above their own, resulting in greater trust and an enriched sense of community
- More adaptive and creative in response to wider external influences and less inclined towards fellowship relative to other organization leadership



CONCLUSION: COMPETING VALUES

- Need internal focus and integration...
... And also external focus and differentiation.
- Need for stability/continuity...
... And also adaptability and discretion.
- Need for focus on task, productivity, goal achievement...
... And also for social system maintenance.
- Need for predictability, order, reliability...

... And also for adaptability and change.



3.3.3. CRITICAL COMPETENCIES FOR FEDERAL MANAGERS (1999)

- A distinction is made between management and leadership:
 - Management = top of the organization
 - Managers pay attention to systems and processes
 - Leadership = has to do with supervisors, coordinators, middle managers or executives
 - Leaders pay attention to people

“Managing is activating people towards the desired behaviour and can be done (...) in two ways namely indirectly, through strategies, structure, systems and culture: that is what we call management, and directly, through persuading, guiding, advising and activating: that is what we call leadership.”

A study on management competencies in the federal government in the US shows that technical expertise is not very important, but rather general competencies in the area of strategic attitudes:

1. Adaptability/flexibility	72%
2. Accountability	69%
3. Vision and strategic thinking	64%
4. Customer orientation	58%
5. Commitment to public service	55%
6. Management of financial resources	44%
7. Ability to establish networks and alliances	41%
8. Value of cultural diversity	39%
9. Management of information technology	37%
10. Technical expertise	23%

Focus on management skills and attitudes, and less on technical expertise. Top three of this list: flexibility, result orientation and vision.

3.4. THE HR-AGENDA: THE CORE TASKS OF THE PEOPLE DIMENSION

- Attention is given to social processes in an organization. These processes can be improved
- Important approaches: motivation, leadership, internal communication, new forms of collaboration and acceptable work conditions

3.4.1. HR AND LINE MANAGEMENT

- Importance of LMX relationships
 - *As HRM responsibilities have been delegated to the line, the role of the HRM department is more oriented towards setting minimum standards and formulating policy, rather than implementing concrete HRM practices*
- Line managers are fully responsible for the interpersonal relationship (Purcell & Hutchinson, 2007)
- Line managers in the role of coaching and motivating employees
- Including high trust, respect and mutual obligation
- Line managers are responsible for HRM
- HR supporting the line managers in his leading role by offering training, development and the appropriate HR systems
- Research proved the existence of five factors leading to a successful implementation of HRM. These factors give an insight into the core responsibilities of line managers in the implementation process of HRM (Bos-Nehles, 2010):
 - **Desire:** or the willingness to implement HRM
 - **Capacity:** line managers need time to implement HRM related practices
 - **Competence:** means the HR capacities to implement HRM
 - **Support:** line managers expect support from the HRM department
 - **Policy and procedures:** clear responsibilities and regulations are needed to support line managers

3.4.2. IMPROVING SOCIAL INTERACTION

- *Social technology is a technical interpretation of the social interaction between employees in an organization*
- Examples of social technology can be found in:
 - Conversation techniques
 - Conflict management
 - Evaluation interviews
 - Presentation techniques
 - Meeting techniques
 - Decision making techniques

3.4.3. INTERNAL COMMUNICATION

= is perhaps the personnel application that requires the most attention in an organization

- Particularly large organizations have communication problems
- Need for a communication policy with mix of different communication tools
 - *Assignment of internal communication is to achieve effective and efficient communication policy through:*
 - *Direct personal communication*
 - *Indirect, written, audio-visual and electronic communication*
- Internal communication is reflected within the HR cycle (e.g. appraisal conversation)
 - *Evaluation conversation is an important factor in the performance management*
 - *By paying attention to personal communication, the chances of success are strongly increased*
- Communication of mission, vision, values of the organization
- Both top-down and bottom-up communications
- Rapid changes: communicate and communicate
 - *In a period of rapid changes, internal communication is important*
- Communication tools and technologies:
 - a. Internal communication: Intranet, by using e-mail
 - b. Internal global communication: website, with a log-in
 - c. Newsletters: can easily be send through e-mails which can be combined with a personnel magazine.
 - d. Personnel meetings: to bring a global message to the employees.
 - e. Movies, dvd's or slideshows: to inform the employees on Human Resource Management issues with the help of social media, dynamic devices

3.4.4. FLEXIBLE WORK CONDITIONS

- *Central theme in labor conditions: the flexible employability of employees in the economy*
- *Weakness of Western economy: rigidity of labor conditions and impossibility to rethink the way people are producing goods or delivering services*
- *Nevertheless: some initiatives to rethink socio-economic affairs:*
 - *Social innovation*
 - *I-deals*
 - *Craft working*
 - *Work life balance*
 - *= new way of arranging the way of working*
- Individualization of labor relations: I-deals are idiosyncratic employment arrangements (special, non-standardized terms of employment negotiated between individual employees and their employer to satisfy both parties needs):
 - Financial

- Flexibility
- Developmental
- Care for personal problems
- Job content
- *Main characteristic of I-deal: the particularity of the arrangement and the trend to individualization of labor relations*
- Social exchange process results from I-deals
 - (...) *invest in the employee and get some productive behaviour in return*
- Plays a role in retirement issue
 - *I-deals may influence people to be motivated to continue working for a longer time as they experience that the organization is willing to 'deal' with their individual needs*
- Distinct from nepotism and favouritism
- *Example laws: parents have the right to leave of absence after the birth of a child*

3.4.5. TEAM MANAGEMENT

The people-oriented model of personnel management gets in the 80s and 90s renewed attention in the form of teamwork, self-managing teams and quality circles.

- Distinction between a team and a working group
- Consensus on the fact that team members work towards a shared, valuable goal, that they work inter-dependently towards that common goal and that they have to coordinate their activities
- Team coordinators/facilitators
- Self-managing teams
 - *Here, the number of hierarchical levels decreases and is replaced by mutual social control*
- See further in organizational dimension

3.4.6. TOWARDS SAFE, PLEASANT AND CHALLENGING WORKING CONDITIONS

- Policy for working conditions avoids demotivation (do not lead to intrinsic motivation)
 - *Employees are not motivated because they work in a safe environment, but the lack of security will soon lead to dissatisfaction*
- General working conditions (safety, health, material environment, ...)
- Social working conditions (atmosphere, colleagues, ...)
- Organizational working conditions (work schedules, holidays, service delivery,...)
- Telework, work life balance, gender policies
- *Dilemma: the employer invests a lot in suitable working conditions, but it adds little value. Employees nowadays find it normal that there is coffee for example. Many complaints are directed to HR manager and unions can threaten with actions.*

3.5 CONCLUSION: THE ATTENTION TO THE HUMAN BEING AS ADDED VALUE

1. People-oriented managers achieve better results than task-oriented bosses
2. Main merit of this approach: finding the right balance between task/result orientation and people orientation
3. Respectful approach of the employee in the organization
4. Attention to man remains an essential element in the organization
5. Focus on people dimension of HRM: p133
 - a. Leadership style and development: invest in all kind of leadership, including development
 - b. Management development: responsible for incubators of management talent
 - c. Social technology: the development of social skills, communication skills, evaluation conversations, meeting techniques as incentive of an effective social technology
 - d. Social programs: the organization encourages social debate
 - e. Coaching: coaching programs are intended to learn and develop coaching skills
 - f. Internal communication: providing the necessary internal communication
 - g. Measuring employee satisfaction: to monitor the working conditions and employment policies regularly staff satisfaction surveys are organized
 - h. Team development: HRM is asked to take initiatives to support team skills and team development
 - i. Safety at work, prevention policy and pleasant working conditions ensure that employees can work within an appropriate and attractive working environment

4 STRATEGIC DIMENSION

Na dit hoofdstuk moet je het verschil kennen tussen personeel management en Strategic HRM

It's not easy to install a strategic HRM instead of personnel management.

1. Strategic dimension: strategy, goals and objectives, measurement, added value

a. Deals with the strategic and the goal-directed aspects of HRM

The strategic thinking and acting takes an important place in which the mutual interaction between HRM and the environment is central.

CONTENTS

1. History of SHRM
2. Personnel Management VS SHRM
3. HRM as added value
4. SHRM and HRM strategy
5. Four perspectives on HRM
6. HRM & the environment
7. SHRM: a multiple stakeholders' approach
8. Conclusion: HR as strategic partner and a business partner

4.1. HISTORY OF STRATEGIC HUMAN RESOURCE MANAGEMENT

Time period:	1950-1970	1970-1990	1990-...
Management Metaphor:	Structure, order, procedures	Alignment, consistency	Competitive potential of the organization
Nature of the environment:	Relative order and stability	Changing by increasing competition	Turbulent, complex, hyper competitive
Managerial focus:	Structure and systems	Strategy and management processes	Innovation, flexibility, velocity & versatility

Before, there is no room for influences from outside the organization in the traditional management theory of Taylor and his followers. Organizations were considered as islands of cooperative systems.

FIRST STEP: DETERMINISTIC RELATION BETWEEN ENVIRONMENT AND ORGANIZATION

Research initially looks at the relationship between the organization and its environment.

- Woodward et al (technological determination)
- Burns & Stalker (market determination)
- Lawrence & Lorsch (complexity determination)
- Perrow (complexity determination)

- Hofstede & Hofstede, Gallie (cultural determination)
- Sleznick, Dimaggio (institutional determination)

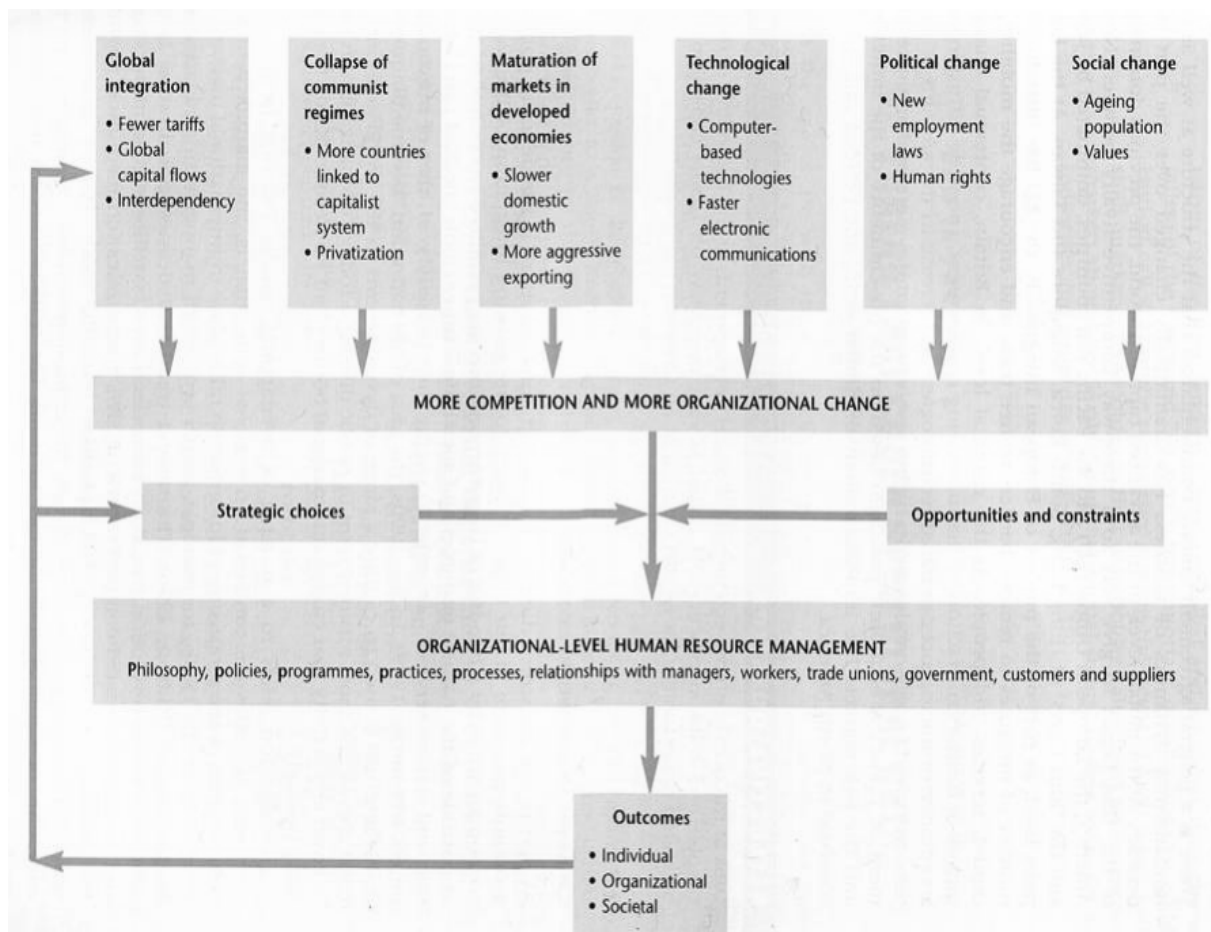
An organization is no independent island.

SECOND STEP: CONSTRUCTIVIST RELATION BETWEEN ENVIRONMENT AND ORGANIZATION

- Simon & March (informational theory)
- Mintzberg (strategic theory)
- Prahalad & Hamel, Barney (Resource Based View theory)
- Child & Silverman (ethno methodological theory, constructivist theory)

THIRD STEP: MIX OF DETERMINISTIC AND CONSTRUCTIVIST APPROACH IN HRM, 'INSIDE OUT' AND 'OUTSIDE IN' THINKING

- The aim of this chapter is to understand the constant flux between inside and outside, between deterministic and constructivist approaches in HRM




Top: different types of environmental contingencies

Something that happens in the environment will be translated in HR and gives outcomes on the individual, organizational and society level ex dual working families -> flexible working hours -> more motivated employees -> more commitment -> more child friendly society

ie Translate x HR from the Outside x Armstrong's Handbo x haci

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New proposals would make it even easier for Europeans to go and work in another EU country.

EU citizens have a right to live and work in another EU country. That fundamental right benefits individual workers but also, through their skills, the economies of the countries where they go to work.

EU nationals working in another EU country should, in theory, enjoy equal treatment with locals in access to jobs, working conditions, social welfare and tax.

But in practice, many of the 10.7 million EU migrant workers face a range of discriminatory practices.

For example, governments or businesses may set discriminatory recruitment rules, quotas, or nationality requirements for specific types of jobs. Pay and promotion rules might not be the same as for nationals. Experience and professional qualifications might not be recognised in the same way, if at all.

These barriers serve to make more people reluctant [11 MB] to go and work in another EU country.

In response the Commission is proposing measures to make it easier for workers to exercise their EU work rights – in place now for some 50 years and guaranteed by the EU's treaties and the Charter of Fundamental Rights. The measures would require EU countries to:

- provide official channels for EU migrant workers – and their employers – to get information, assistance and advice about these rights
- establish means of redress when workers from other EU countries are discriminated against

Source: European Commission (2013, April 29). Bringing down barriers to working in another EU country. *European Commission*. Retrieved November 4, 2013, from http://ec.europa.eu/news/employment/130429_en.htm.

Example -> Artikel: Greying workforce: an opportunity to be grasped

HR measures: Flexible work-arrangements, retaining workers

Possible exam questions: something happens in the environment, give the outcomes (individual, organizational and society)

Environment = all the technological, socio-economic, cultural and politic factors that one way or another affect the functioning of organizations, and more specifically the performed HRM

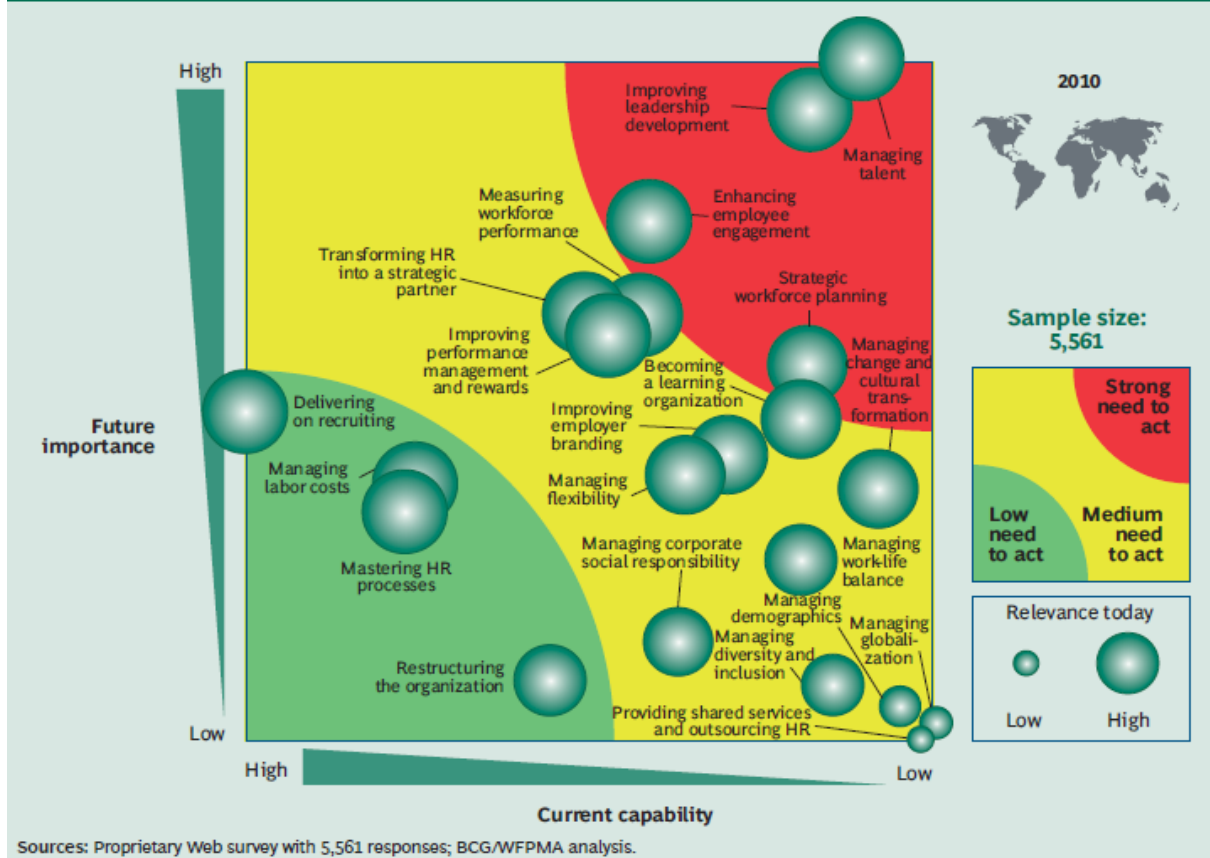
Vroeger: eenzijdige benadering -> aanpassingsgerichte visie, overleven in een vijandige omgeving.

Nu: de organisatie heeft nog altijd een zekere beslissingsruimte om op specifieke wijze om te gaan met omgevingsinvloeden. Strategie kan het verschil maken tussen succesvolle en minder succesvolle organisaties. De organisatie moet een strategie ontwikkelen om op een actieve wijze te anticiperen op de omgevingsinvloeden. (Silverman, Child) -> aandacht voor interne capaciteit zoals de interne managementsystemen, organisatiecultuur, organisatiearchitectuur en het **menselijk kapitaal**.

Vragen: Wat zijn de kenmerken van het menselijk kapitaal, waar moeten we investeren om dit kapitaal rendabel te maken? Hoe kunnen we inspelen op veranderingen uit de omgeving en de organisatie veranderingsbereid maken?

Vereisen een proactief HRM dat leidt tot een strategisch partnerschap tussen organisatie en HRM -> ontwikkelt het personeelsmanagement tot een strategisch HRM

Exhibit 2. Managing Talent, Leadership Development, Employee Engagement, and Strategic Workforce Planning Are Perceived as the Most Critical Topics

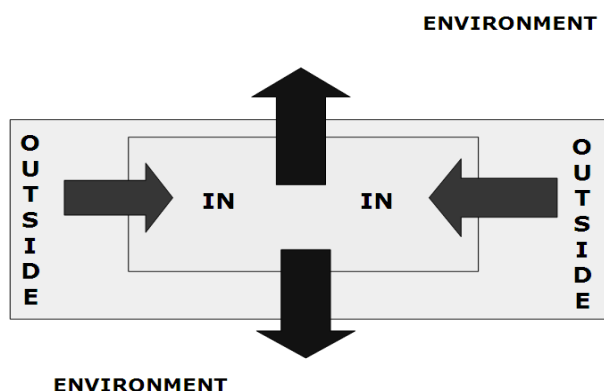


4.2. HUMAN RESOURCE MANAGEMENT AND THE INFLUENCE OF THE ENVIRONMENT

The core of strategic thinking assumes in the first place an interaction with the environment. This interaction can be conceived in two ways:

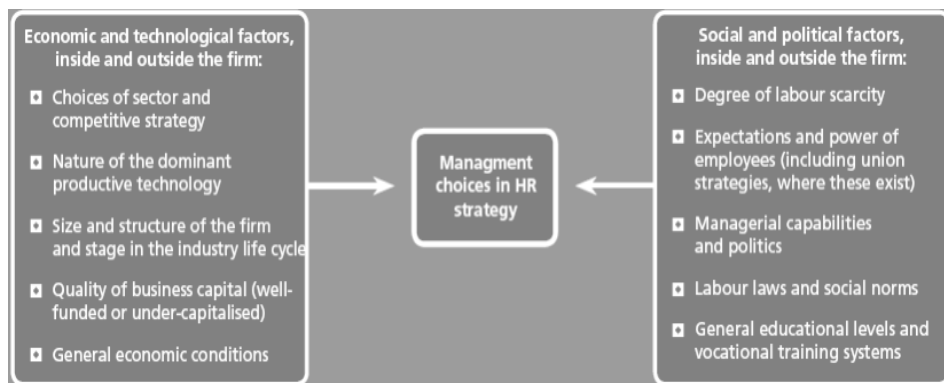
- Outside-in perspective: looks at the influence of the environment on the organization
- Inside-out perspective: has an eye for the influence of the organization on the environment

4.2.1. OUTSIDE IN PERSPECTIVE: GENERAL PICTURE



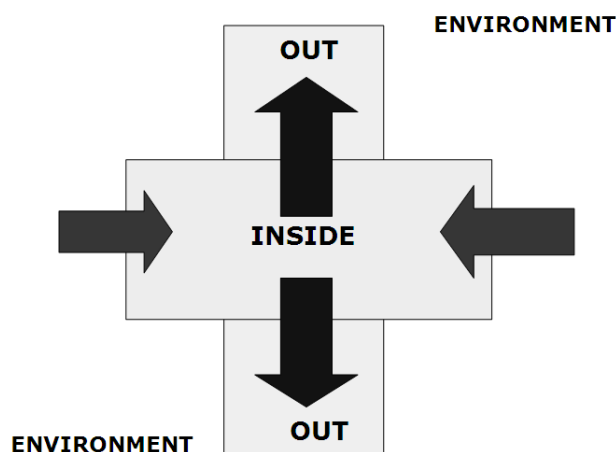
- Emphasizes the influence of environmental factors on the internal function of organizations
- Implies an external environment analysis
- However, emphasizes the threats and opportunities from the SWOT-analysis

- Distinction between:
 - External contingency factors: technology, turbulence, market, ...
 - Contextual approach: political and cultural factors, ...



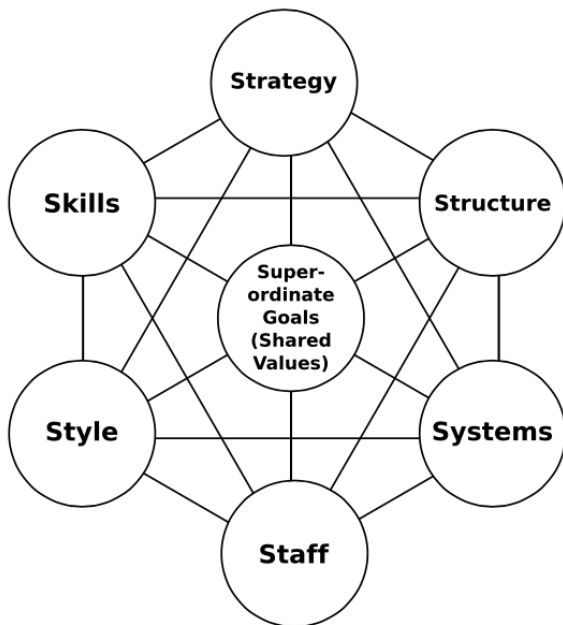
- Specific trends that have influence:
 - Technology
 - Economy
 - Means (resources)
 - Political pressure and regulation
 - Society

4.2.1.1. 'INSIDE OUT' PERSPECTIVE



- The inside-out approach is based on the internal resources and management capabilities of the organization
- The focus lies on human capital and the resource based view
- This approach emphasizes the strategic ability of an organization and the extent to which it can respond to changes in the environment

The traditional 7-S model of McKinsey represents a useful tool to explore the internal capacities of the organization. The model can be applied as such:



•**Shared values:** the possibilities and impact of the organizational culture, or the way an organization handles values, norms, symbols and other immaterial forces to influence the mindset of the workforce

•**Structure:** besides organizational culture, we may consider the organizational structure as a concretization of the values and mindset of people and organization. It is with the help of organizational structures that organizations make cultures concrete and operational

•**Strategy:** the combination of organizational and HRM strategy as a concrete and measurable translation of the mission of an organization and its supposed impact on the environment

•**Systems:** refers to the toolkit of HRM, in

which we can find the daily applied HRM methodologies, techniques, and practices of the HRM department

- **Staff:** can be divided in HRM staff and the total workforce of the organization. The HRM staff include the total number of HRM staff, their functions and by extension, the outsourcing staff of the HRM department
- **Style:** translated as general leadership of top management on the one hand, and concrete leadership style of line managers and supervisors on the other hand
- **Skills:** or competencies of the HRM staff and the general competencies of the workforce. The competencies of the HRM staff reflects the professionalism and capabilities of the HR Managers to apply HRM systems and practices and to realize maximum added value towards the organization. The competencies of the workforce are the total capabilities of the human capital to realize the strategic goals of the organization

Internal analysis	Elements	Sources of information
Shared values	Mission, vision and values of the organization and/or the HRM department	Policy documents, mission statement, internal documents, organizational culture analysis, organizational value study, personnel satisfaction survey
Structure	Organizational design, degree of centralization/decentralization, hierarchy, team structure, production technology	Organizational chart, internet documents, public relations material

Strategy	Strategic HRM goals and objectives of the organization and Human Resource Management, strategic monitoring and evaluation, HRM effectivity	Strategic documents, key performance indicators, strategic Human Resource Management plans, strategic sense making, HRM scorecards,
Systems	Managerial systems, rules, procedures, work design, HRM practices	Procedural manuals, labor regulations, HRM manual
Staff	Numbers of employees, functions, insourcing and outsourcing, flexibility and employability	Personnel demographics, information on flexible work systems, work schedules, function descriptions, HRM Information Systems
Style	Leadership, leadership style, management development, participation	Personnel satisfaction survey, management development programs, content of leadership training, overview of leadership competencies, competency dictionary
Skills	Human Capital, workforce competencies, competency management system	Competency profiles, competency dictionary, selection systems, training plans, internal and external trainers

4.3. WHAT IS STRATEGIC HRM AND WHAT IS THE DIFFERENCE WITH PERSONNEL MANAGEMENT

4.3.1. THE DEBATE ON STRATEGIC HRM VERSUS PERSONNEL MANAGEMENT

PERSONNEL MANAGEMENT AND HRM: CAN YOU TELL THE DIFFERENCE? ANSWER BY ARMSTRONG (1987)

HRM is regarded by some personnel managers as just a set of initials or old wine in new bottles. It could indeed be no more and no less than another name for personnel management, but as usually perceived at least it has the virtue of emphasizing the virtue of treating people as key resource, the management of which is the direct concern of top management as part of the strategic planning processes of the enterprise. Although there is nothing new in the idea, insufficient attention has been paid to it in many organizations. The new bottle or label can help to overcome that deficiency.

KEY FEATURES OF SHRM: LEGGE

- Legge identifies a couple of essential differences between HRM and personnel management:
 - Managerial approach instead of control
 - *PM: control and management of employees*

- *HRM: activities of managers and their role in controlling and monitoring employees*
- The role of line managers in HRM (less industrial relations oriented)
 - *Line managers play an important role*
- HRM emphasizes on a performance-oriented culture, which focuses on results and cooperation
- Basically a strategic approach towards personnel and organization and a focus on added value and human capital

KEY FEATURES OF SHRM: GUEST & STOREY

- Traditional personnel management is more about industrial relations and HRM about individual managerial concerns
- From control and compliance issues towards individual growth, commitment and human capital building
 - *Emphasis is laid on development and involvement of the employee*
- Hard economic issues versus soft side of management
 - *Soft side of HRM, **soft capabilities**: human relations, job security, internal communication, commitment, quality of the workplace and work life balance*
 - *Hard, economic aspects of HRM, **hard capabilities**: investing in human capital, seeking a Return on Investment and calculating the added value of employees*

KEY FEATURES OF SHRM: JACKSON & SCHULER

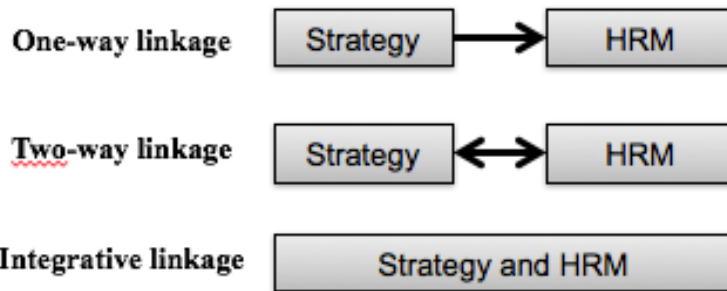
- Vertical integration or strategic alignment, SHRM as a function of organizational strategy
 - *HRM strategy and the derived HR practices should reflect the organizational strategy*
- Horizontal alignment:
 - *Horizontal relationship with other functional management practices is discussed, such as production, service delivery, finance, marketing, ...*
 - Fit between various HR policies and practices (= internal system fit)
 - Fit between HR systems and other relevant systems in the organization (= organizational fit)
 - Fit between inside and outside, between HRM and the external context/environment/forces (= environmental fit)

POSSIBLE LINKAGES BETWEEN STRATEGY AND HRM (PAAUWE):

The strategic role of HRM will consist of becoming a strategic partner with regard to the top management and the organization. Following possible relationships are found:

- **Administrative linkage**: an operational and mostly administrative role
- **One-way linkage**: HRM comes into play at the implementation stage of strategy
- **Two-way linkage**: a reciprocal situation where HRM is not only involved at the implementation stage but also at the corporate strategy formulation stage

- **Integrative linkage:** HRM has equal involvement with other organizational managerial areas for business development



4.4. BASIC MODELS IN STRATEGIC HUMAN RESOURCE MANAGEMENT

4.4.1. TWO MODELS OF STRATEGIC HRM

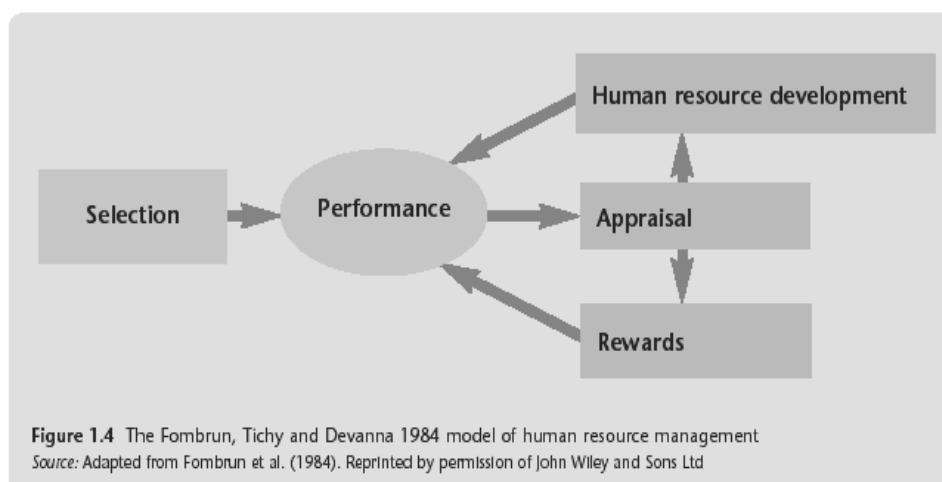
1. MICHIGAN MODEL / TICHY MODEL/MATCHING MODEL (HARD HRM)

HRM **strategy**, together with the organization **structure** and the HRM **policy**, are the basic elements of an organization. These elements are also subject to external political, cultural and economic forces.

HRM cycle includes four functions:

1. Selection
2. Appraisal
3. Remuneration
4. Development

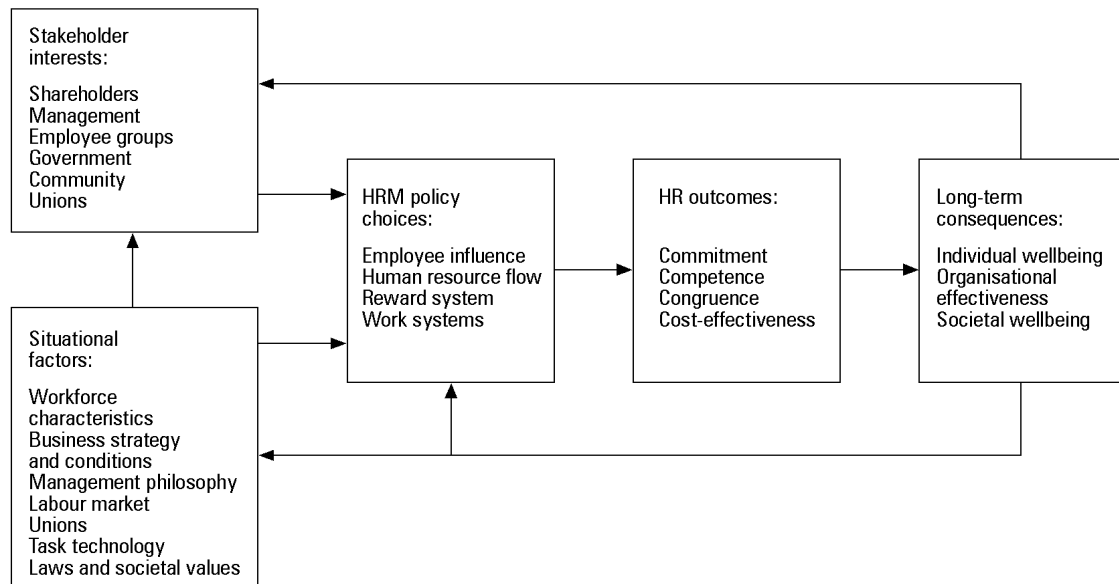
These elements must be embedded in the strategy and structure of the organization. They are located at three organizational levels: strategic, managerial and operational.



This cycle is used by many companies and public organizations. It has a rather conforming role; the HRM strategy is developed based on the general strategy. It is a very one-sided approach with a weak strategic role for the HRM department.

2. BEER OR HARVARD MODEL

This approach differs fundamentally from the Michigan model. It lays more emphasis on the general management nature of HRM and more attention is devoted to the environment, stakeholders and strategy.



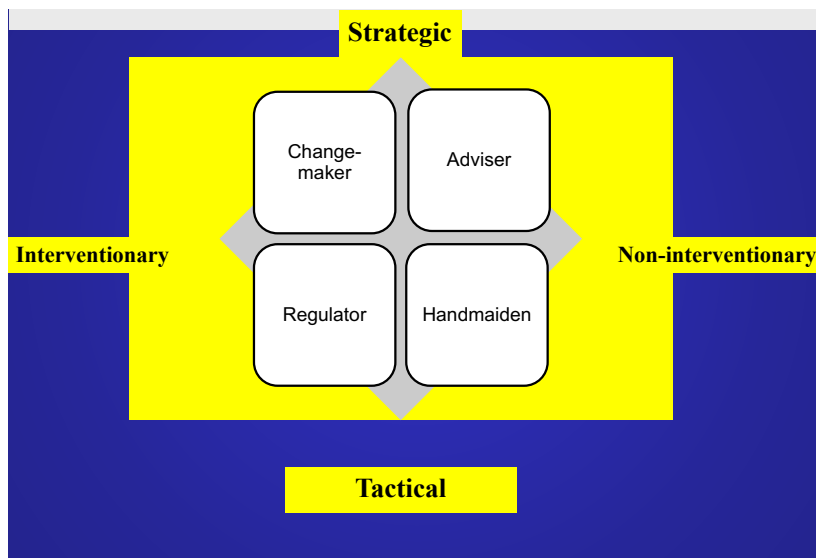
HRM specialists have to determine the HRM strategy and philosophy in dialogue with the top management. Most HRM activities focus on one of the four domains:

- Influence of the employees
- HR flow
- Reward systems
- Work organization

4.4.2. TOWARDS A STRATEGIC VALUE CHAIN FOR HRM

HRM can contribute significantly to the performance of the organization. HRM works!

KEY FEATURES OF HRM: STOREY



1. Hard HRM: emphasis on the resources; a 'tight fit' between organizational strategy and HRM strategy a business driven approach

•Soft HRM: emphasis on the 'human' aspect of management, a human driven approach

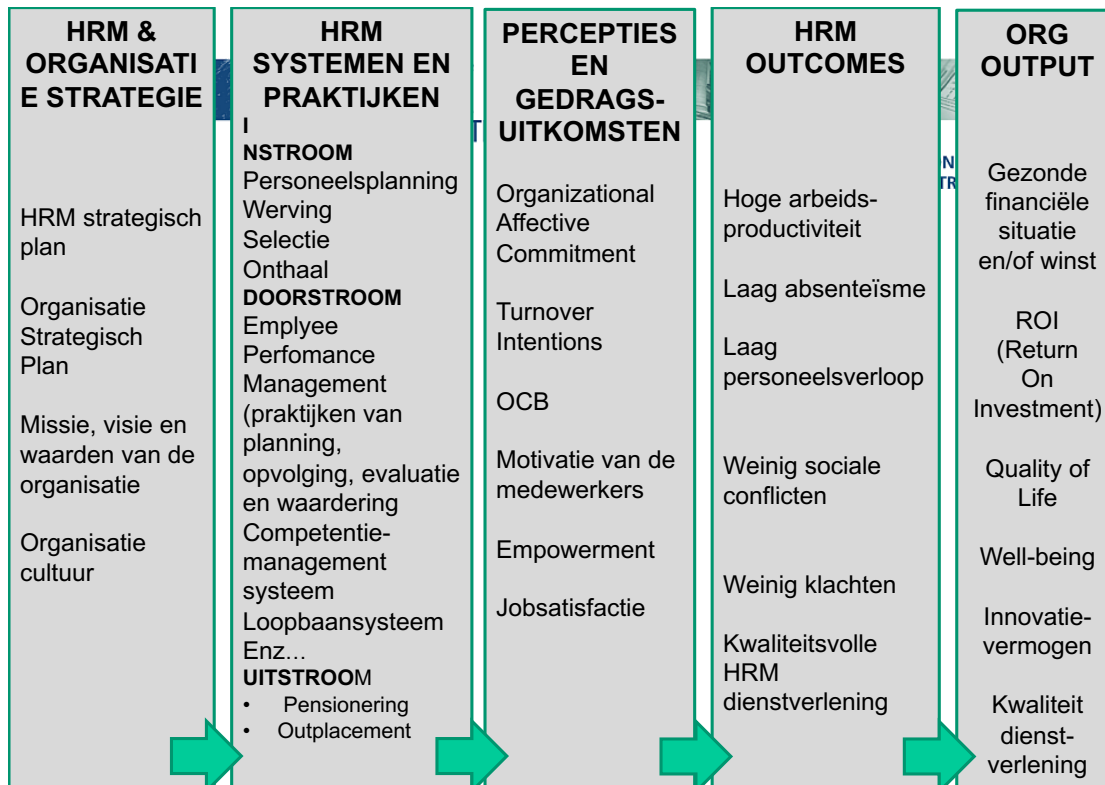
KEY FEATURES OF HRM: ULRICH



How many boxes (theoretical concepts) should there be in the input / throughput / output (external pressures, strategy, HR practices / policies HRM output, and finally bottom-line organizational performance?)

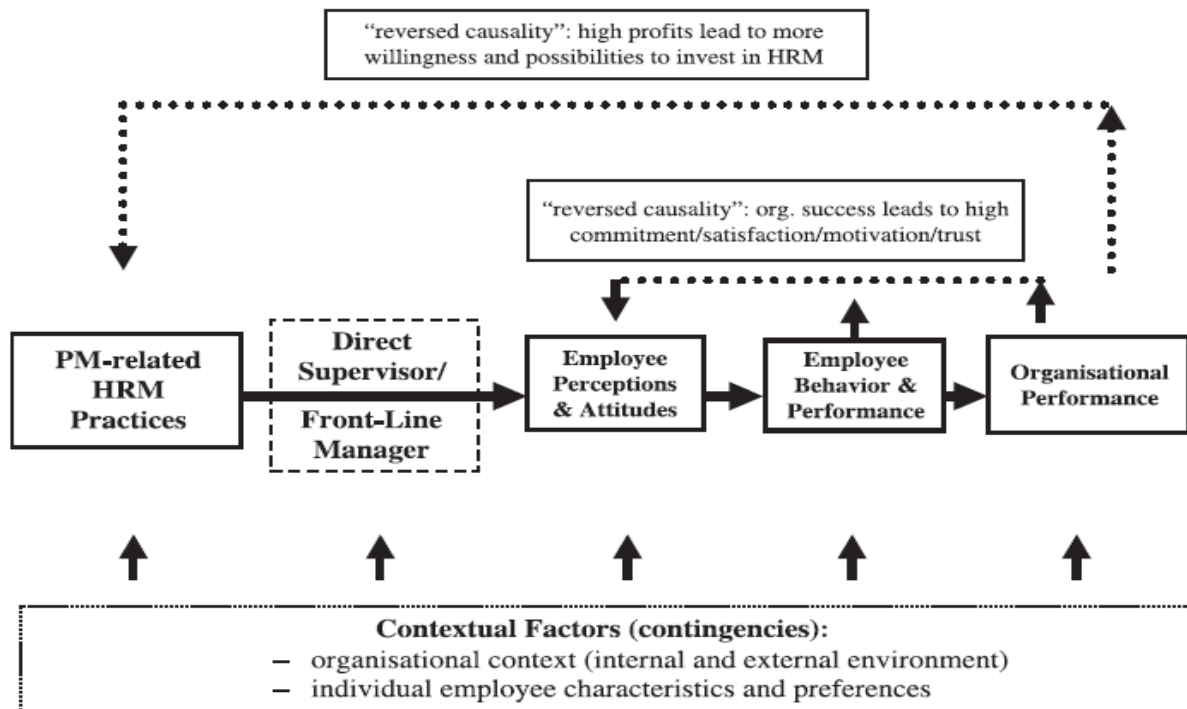


In the model of Guest, we obtain the following sequence of boxes that bring the value chain into view. This model is interesting because it makes suggestions about the successive boxes within which we have to make results in order to contribute to the success of the organization.

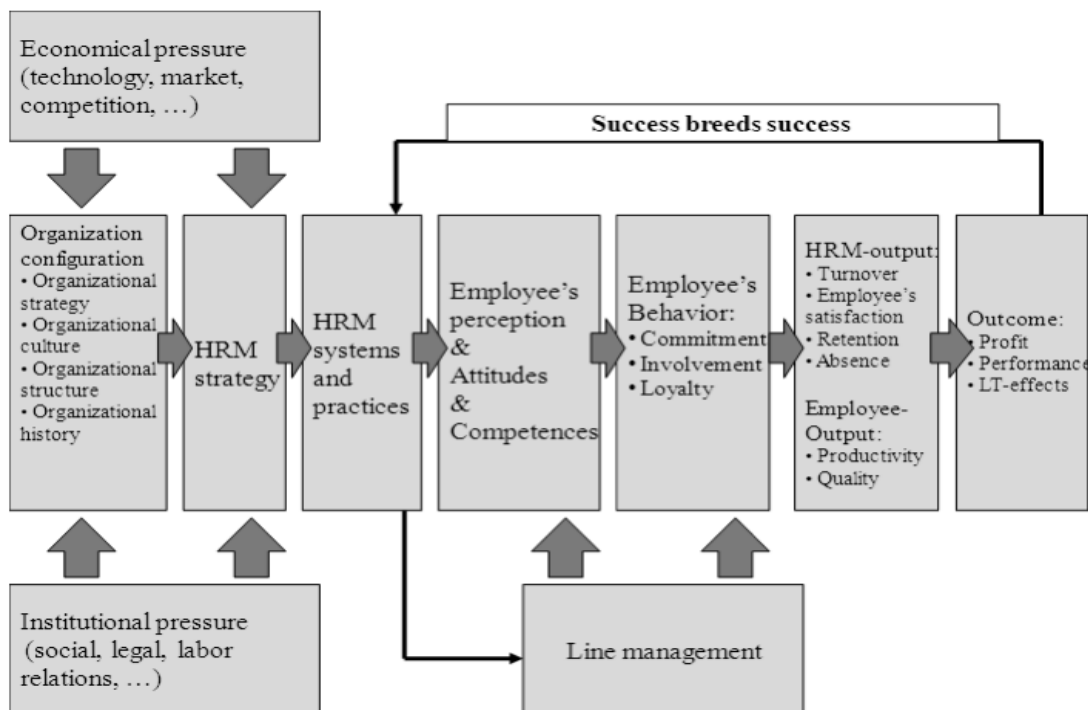


This value chain is supplemented with some other elements which clarify the value chain more strongly:

- The role of perception
 - Perception of HRM systems and practices is mediated by previous experiences of employees
- The role of the executive and/or line management
 - The executive-employee relationship is a form of social exchange in which both parties receive and give benefits to each other
 - HRM department can develop sophisticated performance systems, but it all depends on the degree of active support of the employee by the line managers
- Presence of specific contingencies
 - The value chain of HRM is constantly influenced by external factors that support or hinder the development of the value chain
- Reversed causal relationship
 - Or the strengthening influence of success upon success
 - When a particular activity is successful, it creates credibility and therefore more willingness to use additional resources, this way making more resources available, and so on.



SHRM AS ADDED VALUE: VANDERSTRAETEN (2010)



1. Here, the entire model of the value chain is made clear. HRM has no direct impact on the success of an organization, but indirectly, by means of boxes, such as perception and employee behaviour.
2. This value chain is reinforced by the role of the supervisor/manager
3. It's clear that HRM is established within the context of the economic and institutional environment of the organization

4. HRM output leads to organization outputs. In this model, a fixed causal relationship is assumed between HRM systems and practices and the ultimate success of the organization

4.5. STRATEGIC HUMAN RESOURCE MANAGEMENT AND HUMAN RESOURCE MANAGEMENT STRATEGY

- SHRM includes all applied processes, systems and practices that lead to strategic thinking and acting in term of employees and organization
- Confusion between SHRM and HRM strategy:
 - SHRM includes all processes that lead to a strategic approach of employee and organization
 - HRM strategy composes the final determinable result from the strategic HRM process

	Process	Result
Organization	Strategic management	Organizational strategy
HRM	Strategic HRM	HRM strategy
HRM planning	HRM planning	HRM plan

DIFFERENT ASPECTS OF SHRM

- Organizational management: strategic management within the organization leads to an organizational strategy (and eventually a plan)
- Human Resource Management: strategic HRM as a process leads to an HRM strategy
- Human Resource Management as a concrete planning process leads to concrete HRM plan (document)

SHRM AND HRM STRATEGY

- HRM planning is different from human capital planning, personnel planning or workforce planning
- HRM as a strategic partner
- HRM strategy and strategic plans needs accountability systems to monitor and evaluate the strategic planning process (cfr. HRM measurement)

4.6. FOUR PERSPECTIVES ON STRATEGIC HUMAN RESOURCE MANAGEMENT

In the SHRM literature, four approaches have been used that clarify the strategic nature of HRM:

- Universalistic perspective: 'one best way'
 - *Based on universally applicable HRM systems and practices*
- Contingency perspective: adaptation paradigm
 - *Universally applicable HRM systems and practices are nuanced*
- Configurational perspective: strong mix of HRM systems and practices
 - *Demanding in terms of internal consistency of systems and practices*
- Contextual perspective: acknowledge relevant institutional and economic environment

- *Looks at the environment with emphasis on the institutional exchange and coordination of organizations towards this institutional environment*

4.6.1. UNIVERSALISTIC PERSPECTIVE

4.6.1.1. BASIC ASSUMPTIONS OF THE UNIVERSALISTIC APPROACH

- *Is derived from the premise that generally applicable HRM systems and practices lead to the success of the organization*

The one best way approach in HRM

- Point of departure: a set of best HRM practices, mostly called HPWS (= High Performance Work Systems)
- Assumptions:
 - Best practices lead to performance
 - Best practices are applicable in every organization and situation
- Which practices: based on variable pay systems, successful recruitment and selection systems, training, or aspects of employee performance management
- *HR managers believe that universally applicable HRM systems and practices exist. This means that organizations can imitate practices without requiring much effort to adjust these practices*

Researchers have developed lists of 'successful' HRM practices:

BEST PRACTICE LIST OF PFEFFER (1998)

Arthur (1994)	Pfeffer (1994)	Huselid (1995)	MacDuffie (1995)	Delery & Doty (1996)
Broadly defined jobs	Employment security	Labor/management participation	Training of experienced employees	Internal career promotion
Stock ownership	Symbolic egalitarianism	Performance appraisal	Problem-solving groups	Job descriptions
Employee participation	Selective recruiting	Incentive compensation	Employee suggestions	Formal training
Formal dispute resolution	High wages	Job design	Job rotation	Appraisals
Highly skilled employees	Incentive pay	Grievance procedures	Decentralization	Profit sharing
Self-managed teams	Employee ownership	Information sharing	Recruitment and hiring	Employment security
Extensive training	Information sharing	Attitude assessment	Contingent compensation	Participation
Extensive benefits	Participation	Recruiting intensity	Status differentiation	
High wages	Empowerment	Training hours	Training of new employees	
Salaried employees	Promotion from within	Promotion criteria (seniority versus merit)	Work teams	

Information sharing	Cross training and skills development	Personnel training		
	Cross utilization of competences			
	Low percentage of employees covered by union contract			
	Job redesign/teams			

The list of Pfeffer is reduced to seven dimensions:

- Employment security
- Selective recruitment and selection
- Self-management work teams & decentralization
- High compensation contingent on work performance
- Extensive training
- Reduction of status differences and barriers.
- Information sharing and communication

The definition of High Performance Work Systems (HPWS) is a source of debate. Yet it appears that HPWS covers three large categories:

- Consensus on 3 categories of HRM practices: (Sung, 2005)
 - Practices aimed at participation and empowerment
 - *Examples: information sharing, providing all employees with a copy of the business plan and targets, internal staff surveys or staff suggestion schemes, self-managed or self-directed teams, cross-function teams, ...*
 - Human capital investment practices
 - *Examples: annual appraisal and formal feedback on job performance, formal assessment tools for recruitment, annual review of employees' training needs, training itself, work-(re)design for improved performance, coaching and mentoring, ...*
 - Evaluation and compensation practices
 - *Examples: financial rewards, share options and performance related pay, ...*
- Examen: link de 7 dimensies van Pfeffer aan de 3 categorieën van Sung

4.6.1.2. CONSEQUENCES OF THE UNIVERSALISTIC APPROACH

- Benchmarking: possibility of learning from each other
 - *Benchmarking is een manier om prestaties van bijvoorbeeld apparaten of organisaties met elkaar te kunnen vergelijken*
- Implementation paradox, ic, inspiring is not copying

- Universal HRM: makes general performance measurement systems possible
- Possibility of awards: *innovative idea, best employer, best employee, ...*
- Comparative research: *the fact that a program is successful and works in a certain company, does not mean that this program will work within a governmental organization. Comparative research looks for the factors responsible for the similarities and differences in the HRM applications*

UNIVERSALITIC PERSPECTIVE/BEST EMPLOYER 2010 BELGIUM

#	Organization < 500 Employees	#	Organization > 500 Employees
1	SAS Institute nv/sa	1	Schoenen Torfs
2	Microsoft	2	Randstad Belgium
3	Mars	3	FedEx Express
4	Accent Jobs For People nv	4	Care nv
5	IS sa	5	McDonald's Belgium
6	Amgen nv	6	KBC
7	Abbott /Abbott Vascular International bvba	7	Accenture
8	Genzyme Flanders	8	Cisco Systems bvba
9	Bank J. Van Breda & Co.	9	Partena Ziekenfonds & Partners
10	Robert Half bvba	10	TNT Express

4.6.1.3. CRITICS

- Empirical validation: universality versus sectoral, national, cultural context of HRM (the contextualization of HRM)
 - *Example: there is no reason to believe that practices in the chemical industry, achieve the same success in the government*
- Isolation of explanatory factors
 - *Difficult to measure the real impact of HRM practices on the success of an organization*
 - *See Pfeffer's 1/8 rule (p174)*
- Difference between systems and practices
- Simplicity: a naive copy-paste story
 - *The success of a particular HRM practice is no guarantee of future success in another organization*

1/8 RULE – PFEFFER

Half the organizations will not act on the connection between HPWS/HRM and profitability, half of those who do act will try a single (one-shot) solution rather than a systematic approach, and only a half of the firms that do make systematic changes will persist long enough to see the differences

$(\frac{1}{2} * \frac{1}{2} * \frac{1}{2} = 1/8)$.

4.7. CONTINGENCY APPROACH

4.7.1. ASSUMPTIONS: THE ENVIRONMENTAL CHALLENGE

- From 'Best practices' to 'Best fit'

- From universalistic solutions to a focus on specific organizational settings
- Theoretical framework:
 - Contingency theory (technological, economic, complexity determinism in organizational sociology)
 - Resource dependency theory
 - Neo-institutionalism

RESOURCE DEPENDENCY THEORY

- Contingency means dependent on external resources
- The same organizations from the same sector compete with each other to obtain the same external resources (financial means, subsidies, clients, employees)
- These organizations need strategies to compete with each other for resources but get these strategies by copying the most successful ones from each other
- Result: all organizations use more and more the same HRM strategies and practices, which leads to isomorphism (all become lookalikes)
- *Example: the government incorporates HRM practices for the private sector, partly to be competitive towards private organizations*

RESOURCE DEPENDENCY THEORY: EXAMPLE

- Common labor market for finding talent (= resource)
- Competition for finding talent and expertise in the labor market
- Organizations copy the same (successful) recruitment strategies for finding and attracting new employees
- Organizations implement the same HRM recruitment strategy and systems and implement more and more the same HRM policy. They become lookalikes in the HRM business.

CONTINGENCY THEORY: NEO - INSTITUTIONAL THEORY

- Organizations depend from institutions (law, governmental and other institutionalized regulations, ...)
- Leads to '**institutional isomorphism**' which means lookalikes due to institutional pressures for all concerned organizations
- Economic pressure, competition leads to '**economic isomorphism**' which means lookalikes due to imitation of successful HRM systems from other organizations

4.7.2. CRITIQUE ON THE CONTINGENCY APPROACH

The contingency approach in HRM teaches us that a simple copy paste story does not work, because all sorts of factors outside the organization have influence

- Always isomorphism? And what about strategy?
- Institutional isomorphism
- Economical isomorphism
- Strategy-dependent HRM

- Underestimating internal capacity

4.8. CONFIGURATIONAL APPROACH

The force of consistent HRM systems and practices

4.8.1. ASSUMPTIONS: THE POWER OF BUNDLES OF HRM

- Internal focus of HRM
- Vertical and horizontal alignment.
 - Vertical: see contingency approach but also building internal capacity to cope with the environment
 - Horizontal: focus on a configuration of HRM practices in a coherent system, bundling approach (= *the system bundles different practices into one system*)
- Focus on internal capacity (human capital)
- *The configuration approach is mainly about analysing the extent to which a synergy has emerged between the different HRM practices*
- Resourced Based View (Barney):
 - *The organization is not only influenced through the environment, but also exerts influence on the environment*
 - Focus on internal capacity of organizations and the effect on strategy making processes in HRM
 - Working from an organization's Human Capital and competitive (or performant) resources
 - Tangible and non-tangible resources
 - *Tangible: finance, technology, workforce, ...*
 - *Non-tangible: image, know how, organizational culture, ...*
 - Importance human capital: VRIN

RESOURCE BASED VIEW OF THE FIRM (BARNEY)

- Valuable – An organization must have a value-creating strategy
- Rare – To be of value, a resource must be rare by definition and unique,
- Inimitable – A valuable resource should be very difficult to imitate
- Non-substitutable – If a resource is potentially value-creating, rare and imperfectly imitable, an equally important aspect is lack of substitutability (or the ability to use another strategy)

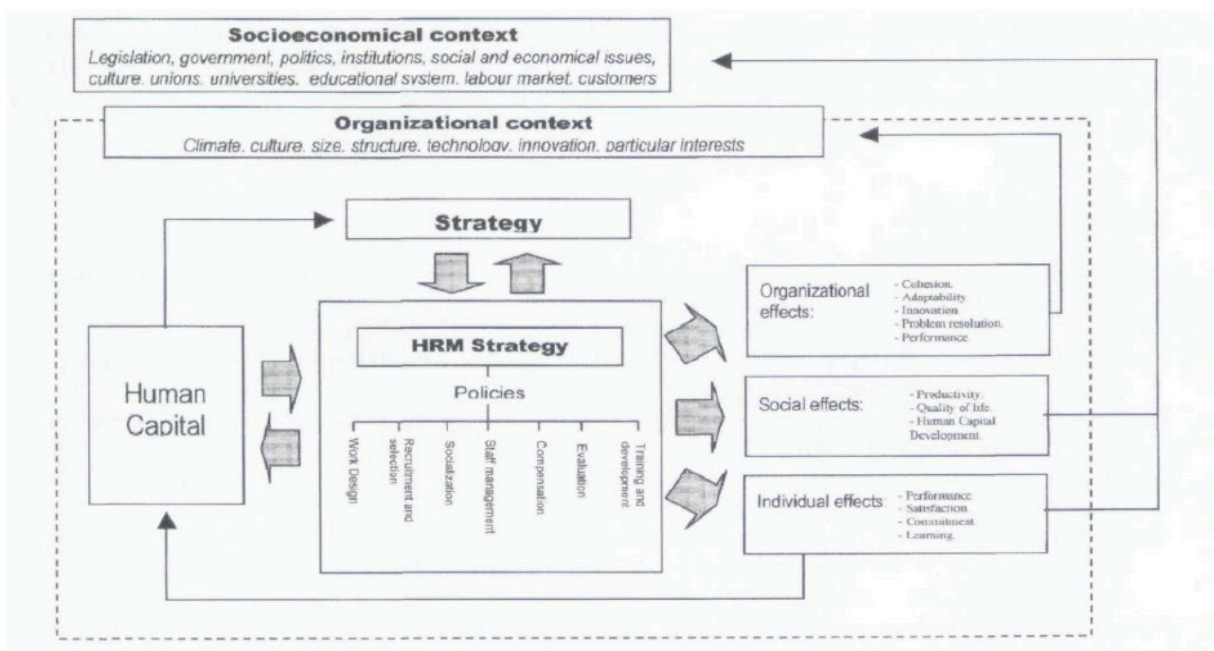
STOREY'S THEORY OF CAPITAL

Storey distinguishes four types of capital. The different types clarify on which areas organizations can differ and can develop a competitive advantage:

- The physical capital: infrastructure, material, technology, ...
 - *Easy to imitate*
- The organizational capital: management, planning, control systems, ...

- *More difficult to acquire and imitate*
- The Human Capital:
 - *Most difficult to imitate and acquire*
 - Employees competencies: *determines the internal strength*
 - Cultural capital

INSIDE OUT PERSPECTIVE (3)



A FOOTBALL TEAM: WHEN AND WHY ARE THEY A PERFORMANT TEAM

<http://www.kaagent.be/supporter/media/videos/>



CONFIGURATIONAL PERSPECTIVE

- System approach, with its focus on internal consistent systems
- A HRM system is a set of individual HRM practices
- The law of holism: the whole is more than the sum of its parts
- The notion of intra- and inter consistency
- Promote powerful connections and avoid deadly combinations

4.8.2. CONFIGURATIONAL PERSPECTIVE: CRITICISM

- The relationship between HRM policy, systems and practices
- The need for system knowledge and insights
- Difficulty to isolate individual practices and measure their effect
- Accountability of HRM
- A strong internal orientation

4.9. CONTEXTUAL APPROACH

The limitations of the institutional, legal environment and the related socio-economic stakeholders

4.9.1. THE MAIN FEATURES OF THE CONTEXTUAL APPROACH

- The Cranet research: institutionalization of HRM (i.c. trade unions, employer organizations, governmental action, social laws, labor regulations, social security etc...)
 - *They assume that the implemented HRM is the result of external influences from the environment, the development of an appropriate HRM strategy and that the organization exerts influence on the environment*
 - *They consider the contextual environment as institutional elements that exert a continuous influence on the HRM, such as unions, ...*
- *Implies an extension of the previous approaches*
- The relevant institutional and economical environment for building HRM strategy
- Multiple stakeholders approach
- Divergence of organizations because of institutional factors at the level of countries, managerial cultures, governmental policies,
- The importance of institutional and cultural factors in industrial relations. The question of the role of government and governmental regulations
- The US and the EU perspective
 - *The difference between the US model and the EU model of HRM mainly concerns the institutional influence of the current HRM within companies and government organizations:*
 - *The government in Europe plays a larger role*
 - *The government in Europe is more interventionist*
 - *The government in Europe is a more important employer*
- US: pluralist model
- EU: Rhineland model (Netherlands), aspects of neo-corporatism (Belgium), several national practices in a European context

4.9.2. CRITIQUE ON THE CONTEXTUAL APPROACH

- Articulation of convergence aspects of HRM and neglecting the managerial freedom
- Focus on instrumental approaches in HRM
- An exaggerated focus on (the power) of trade unions

4.10. HUMAN RESOURCE MANAGEMENT AS A MIX OF APPROACHES

- Universalistic approach:
 1. Contribution lies in highlighting the importance of HRM systems and practices to achieve better performances of employees and the organization
 2. The approach reminds us of the fact that management possesses a universal and global aspect
 3. -> emphasizes the existence of good HRM systems and practices
- Contingency approach:
 1. Emphasis lies on the influence of the environment
 2. Stresses that a unique HRM can provide an adequate response to the contingencies of the environment
 3. -> stresses the HRM strategy that is developed in line with the organizational strategy
- Configuration approach:
 1. Resource Based View in HRM
 2. Implies the development of internal capacity
 3. Added value of this approach lies in the policy-orientated and intrinsically strategic nature of HR
 4. Research on HRM is not only looking for best practices (universalistic approach), or best fit approaches (contingency approach), but for internally coherent systems and processes
 5. -> explains how HRM systems and practices should be applied given the specific environment
- Contextual approach:
 1. External environment is taken into account
 2. Focuses on the internal capacity rather than on the influence of the external environment
 3. Meaningful environment in which specific stakeholders play a role in the development of HRM
 4. Focuses on the role of stakeholders and legislation
 5. -> focuses on how HRM systems and practices should be applied given the institutional context of the environment
- The four approaches explain why organization can differ from each other despite the fact that they have to function within the same contingency factors and within the same contextual environment
 1. Organizations exhibit a uniqueness

2. Organizations apply the same systems and practices in their HRM and they seem to grow more and more towards each other

	Universalistic perspective	Contingency perspective	Configurational perspective	Contextual perspective
Theories	Transaction Cost Theory, Rational Choice Theory	Contingency Theory, Neo-Institutionalism, Resource Dependency Theory, RBV	System theory , Resource Based View	Industrial Relation Theory, Multiple Stakeholders Theory, Neo-Corporatism
Searching for...	Best practices, one best way	Best-fit: adaptation, vertical alignment	Bundling, consistency, horizontal alignment	Best exchange, stakeholders alignment, social consensus
Important activities	Benchmarking, comparative studies, awards, learning from each other, etc.	SHRM planning	Integration, consistency	Institutional deliberation and alignment, networking
Internal/external orientation	Internal and external orientation	External orientation	Internal orientation	External orientation

4.11. STRATEGIC HRM: VERTICAL AS WELL AS HORIZONTAL INTEGRATION

In this section we will accurately examine in which way individual HRM practices can be integrated within a system.

The integration issue is divided into two cases: the vertical and horizontal integration

1. Vertical: ensures that HRM will align the management of employee and organization to the organizational strategy
2. Horizontal: works on the systematic and mutual alignment of HRM practices

4.11.1. VERTICAL ALIGNMENT

- *The vertical integration refers to the contribution that every employee, team and department delivers for achieving the central goals and the final success of the organization*
 - *Added value thinking assumes that HRM contributes to achieving goals*
- Fombrun e.a. (1984): 'fit' between organizational strategy and HRM strategy
- HRM: = business partner of general management, helping realizing the organizational strategy
- *Vertical integration ensures that organizational goals are translated into the various departments of the organization*
- How does it work, need for organizational strategy or can HRM strategy exist on its own?
- Strategy making is an incremental process
- Cascade model of strategy implementation

CASCADE MODEL

One of the basic principles of performance management is the presence of the cascade system of organizational goals towards the individual objectives of the staff.

We can conclude that by using the cascade system, which evolves from a general strategy into specific objectives, the HRM department can be judged on the accordance of the HRM strategy with the organizational strategy.



4.11.2. FORMS OF HORIZONTAL INTEGRATION: FROM PRACTICE TO POLICY

Horizontal alignment puts the emphasis on the coherence between the different HRM systems and practices.

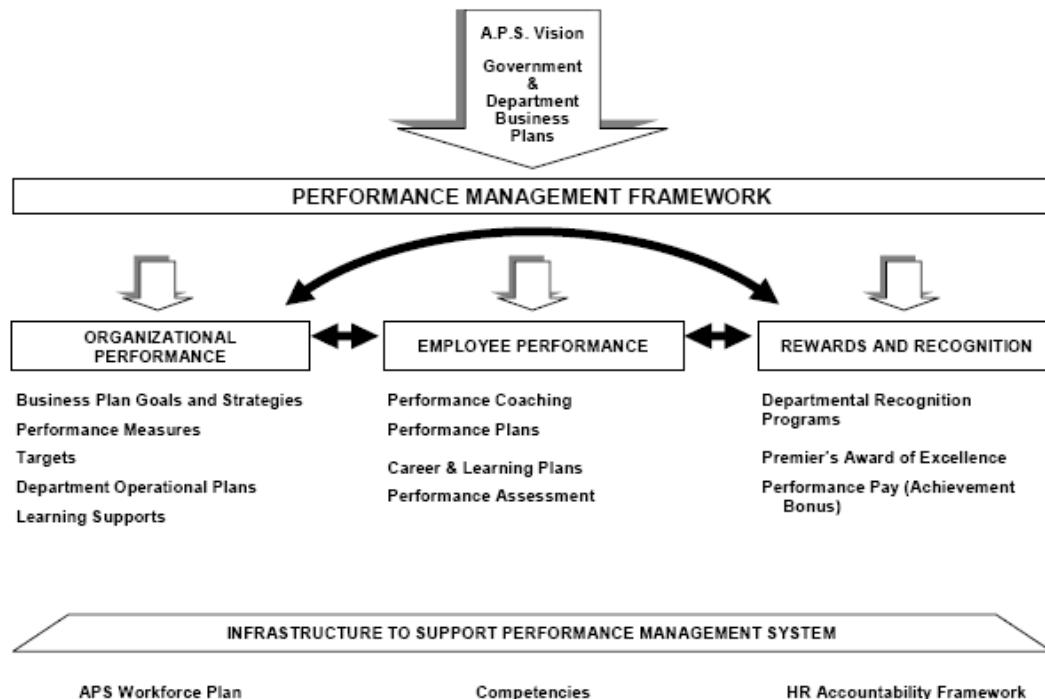
Horizontal integration implies a mutual alignment of

- HRM practices: personnel evaluation, career planning, selection, ...
- Systems: competency management, performance management, management development, organizational development, ...
- Need for consistency: people find it difficult to cope with inconsistency
- Need for coherent systems of HRM practices
- Need for coherent HRM policy implemented through HRM systems
- From HRM policy to HRM systems and HRM practices

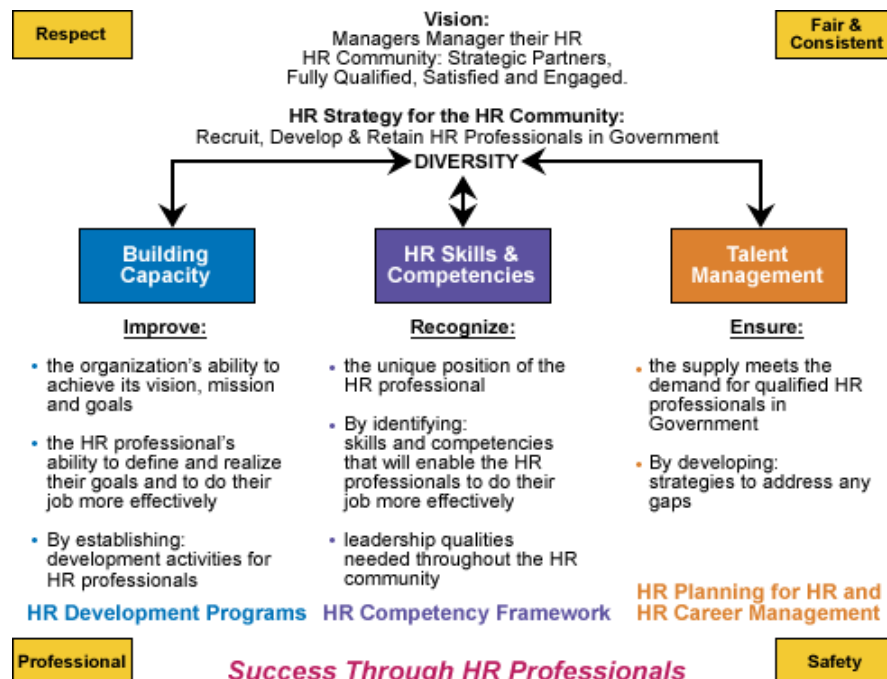
LEVELS OF INTEGRATION

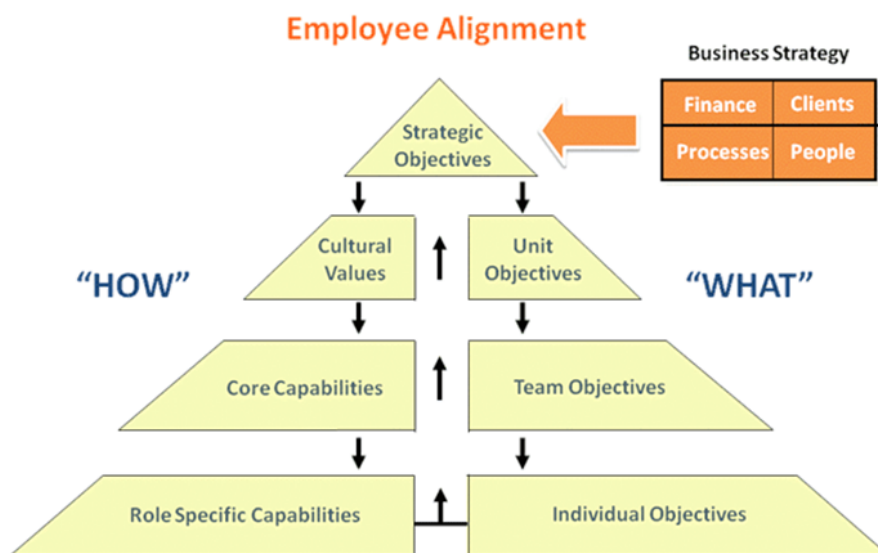
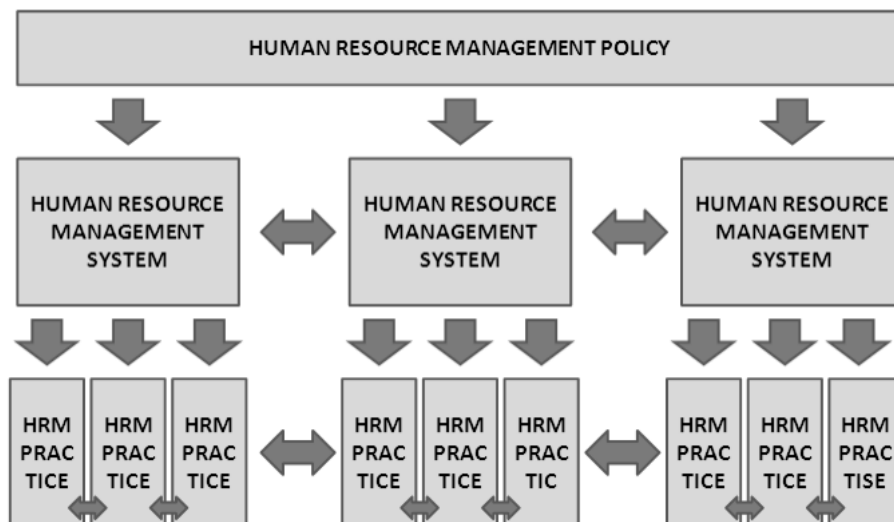
- **HRM practices:** concrete, operational applications of HRM, using specific instruments and/or methods, Examples are coaching, function description, selection procedure, recruitment applications, ...
- **HRM systems:** some practices form together a coherent HRM system. Examples: Employee Performance Management consists in concrete practices such as planning, coaching, evaluation and rewarding

- **HRM policy:** starting from a HRM policy an organization can implement specific HRM systems and practices. Examples are building a performance oriented organization (=policy, general strategy, vision), implement specific HRM systems (employee performance management, competency management) and on an operational level work with result oriented function description, goal setting on an individual basis, etc...



APS Values: Respect - Accountability - Integrity - Excellence





LINE OF SIGHT & EMPLOYEE CHARACTERISTICS

1. TRUE OR FALSE? “LINE OF SIGHT WILL POSITIVELY ASSOCIATE WITH HIERARCHICAL LEVEL.”

Now that Jolien gave us an explanation about the meaning of ‘line of sight’, it is clear that there are some factors, which can have an influence on this concept. The ‘line of sight’ to an organization’s strategic objectives may vary across different employee characteristics.

Let’s play a little game. I will give you some assumptions. Can you guys tell me whether they are true or false?

Let’s go on with the first one:

Line of sight will positively associate with hierarchical level.

or in other words, people who work at higher levels will have greater line of sight to the organization’s strategy.

Those people ‘closer to the top’ should have greater understanding of organizational objectives, because those objectives are defined by the top strategic decision-makers. Thus, top

managers have the most influence on organizational priorities. (The strategic objectives are operationalized there.)

This appears with the notion that communication may break down further from 'the top'. Employees at lower levels often have no clear image of the organization's objectives and consequently have no idea how to contribute to those objectives.

2. TRUE OR FALSE? "LINE OF SIGHT WILL POSITIVELY ASSOCIATE WITH ORGANIZATIONAL TENURE."

The second hypothesis is the following:

Line of sight will positively associate with organizational tenure.

Knowledge of an organization's strategy and how to contribute is likely to evolve over time as an employee becomes more familiar with the organization. So the longer we work in an organization, the better we understand its strategic objectives and how we can contribute to them.

3. TRUE OR FALSE? "LINE OF SIGHT WILL POSITIVELY ASSOCIATE WITH JOB TENURE."

The next question is whether:

Line of sight will positively/negatively associate with job tenure.

The correct answer is that it will negatively associate with job tenure

→ Among those with similar organizational tenure, employees in one position for a long period may become entrenched in their specific job, obsolete in their knowledge, and less in tune with the 'big picture'. They are 'too used' to their job, and forget to look at the company's overall strategic objectives.

= False: because of internal mobility.

Als je voor 30 jaar bijvoorbeeld dezelfde job doet, heb je kans op een burnout.

4. TRUE OR FALSE? "LINE OF SIGHT WILL POSITIVELY ASSOCIATE WITH THE NUMBER OF DIFFERENT POSITIONS HELD WITHIN THE ORGANIZATION."

And last but not least, the fourth assumption is:

Line of sight will positively associate with the number of different positions held within the organization.

Surprisingly well, this assumption is wrong.

→ You may think that 'Holding a variety of positions within a company may better enable an employee to understand the larger organizational goals and how to contribute effectively', but this isn't the case.

Employees with a greater variety of experiences within this organization are less likely to understand the strategic objectives and how to contribute.

Now, Mathias will give you some more information about the consequences of aligning employees with the organization's strategic objectives.

= False but we don't know why. There's no explanation.

5. TRUE OR FALSE? "LINE OF SIGHT WILL POSITIVELY ASSOCIATE WITH JOB SATISFACTION AND AFFECTIVE ORGANIZATIONAL COMMITMENT."

Now we are going to take a closer look at the work outcomes. We expect that understanding the strategy of an organization, and knowing how to contribute to it, will have an effect on different outcomes, such as: job satisfaction, commitment, turnover and psychological job strain.

The first assumption:

Line of sight will be positively associate with job satisfaction and affective organizational commitment.

(taken together with the second one)

Effective is emotional. Effective commitment is the highest form of commitment.

= True

6. TRUE OR FALSE? "LINE OF SIGHT WILL NEGATIVELY ASSOCIATE WITH INTENT TO QUIT AND ACTUAL TURNOVER."

The second hypothesis:

Line of sight will negatively associate with intent to quit and actual turnover.

Studies have shown that agreement between employees and their immediate supervisors on specific goals can have a positive influence on employee work attitudes and retention. So goal agreement relates positively to job satisfaction and commitment and on the other hand it negatively influences the turnover intent.

The employee line of sight to an organization's strategic objectives will have a positive influence on the employee's attachment to that organization. These employees will feel that they matter to the organization's strategic successes.

Taken together, all this suggest that employees with greater understanding of their organization's strategic objectives and how to contribute, should report higher satisfaction with their job, feel greater commitment towards the organization and ultimately desire to stay with the organization.

= True

7. TRUE OR FALSE? "LINE OF SIGHT WILL BE POSITIVELY ASSOCIATED WITH PSYCHOLOGICAL JOB STRAIN."

The sixth hypothesis:

"Line of sight will be positively associated with psychological job strain."

Line of sight to an organization's strategy is also likely to affect work stress. The major problem here is the ambiguity in work expectations. It's clear that not understanding the objectives of the organization and how to contribute should be stressful for the employee. But what is the difference between job stress en psychological job strain?

While job stress generally refers to the demands at work that we experience as stressful, job strain refers to the negative physical and psychological toll that job stress takes on us when

our jobs involve high demands and we have little decision-making power. This can lead to burn-out. So job strain isn't the same as job stress, but the two are related.

ACUTALITY

“Only 5% of employees understand their company's strategy.”

Robert Kaplan and David Norton (2010) (founders BSC)

= is het nodig voor iedere werknemer om de strategie van de organisatie te kennen? Moeilijk om te antwoorden.

4.11.3. REQUIREMENTS FOR STRATEGIC INTEGRATION

To achieve a coherent and SHRM we can impose some demands that increase the consistency:

- How to evaluate the strength of SHRM:
 - Completeness
 - Internal systematics
 - Internal range
 - Internal consistency
 - External consistency
 - Pragmatics
 - Acceptableness
 - Visibility
- Completeness: are all possible HRM systems and practices applied?
 - Measure? The amount of HRM systems and practices, importance of some HRM systems and practices, ...
- Internal systematics: is HRM systematically integrated in the organization
 - Measure? Frequency and regularity in use, formalization, availability of procedures and instruments, ...
- Internal range: are all employees concerned?
 - Measure? Are HRM systems/practices applied in all units, all levels, everyone with the same systems / practices, amount of differentiation, ...
- Internal consistency: is the whole HRM policy / system / practice free of contradictions
 - Measure? Amount of contradiction in documents, procedures, amount of complaints of contradiction, ...
- Pragmatics: Is HRM workable, usable, does it lead to added value
 - Measure? Amount of complaints of users, amount of non-use, transparency, ...
- External consistency: is HRM consistent with the external environment, actual academic and practical HRM knowledge
 - Measure: amount of evidence based knowledge, how many links with external environment, ...
- Acceptability: does everyone accept the HRM systems / practices

- Measure? Participation of stakeholders, knowledge of HRM of all stakeholders, resistance
- Visibility: internal communication of HRM and accountability
 - Measure: amount of documents, availability of documents, quality of website information and accountability systems, ...

OTHER FORMS OF FIT / INTEGRATION

- Line integration: SHRM as a management policy conducted by line management and HRM department.
- Cultural or value integration
 - Person - Organization fit (P-O fit): the alignment of individuals with organizational culture and values
 - HRM – environmental culture fit: does HRM fit with local, regional, ..., European culture (see also Hofstede & Hofstede on managerial cultures)

4.12. A MULTIPLE STAKEHOLDER APPROACH IN STRATEGIC HUMAN RESOURCE MANAGEMENT

A MULTIPLE STAKEHOLDERS APPROACH

- Stakeholder = any group or individual who can affect or is affected by the achievement of organizational and HRM objectives
- *An analysis of the involved employees and the various power groups (stakeholders) is part of SHRM*
- Assumptions behind stakeholders analysis:
 - HRM is based on the experience of support and resistance of stakeholders
 - *Some stakeholders benefit from the implementation of HRM practices and systems, others oppose*
 - HRM acceptance is based on win – win situations, what's in for me
 - The success of HRM is reflected at the time of implementation

ATTRIBUTION THEORY AND STAKEHOLDERS

- Attribution theory and HRM:
 - Manager: success is attributed to personal managerial activities while failure is attributed to factors from the environment
 - Employee: success is attributed to factors from the environment, while failure is attributed to the personal actions of the HR manager
- HRM and power relations (see also the dominant power coalition in organizations)
 - The relative power is one of the most important characteristics of the influences of the stakeholders
 - Only few stakeholders have enough power to determine the strategy of the HRM policy
 - Different stakeholders will influence each other
 - Which stakeholders have power, and what is the size of this power?

- Necessity of stakeholders analysis
 - Effectiveness of HRM can be assessed regularly by questioning the managers, HR manager and employees

OVERVIEW OF POTENTIAL STAKEHOLDERS (1)

Stakeholder	Interests	Level
Shareholders	High profits, growth and increased market value	Organization level
Employees	Security, fun, development and challenges	Individual employee level
Managers	Productivity, quality, innovation and status	Team and organizational level
Top management	Reputation, shareholder value and long-term success	Organizational level
Work councils	Employment security and good working conditions	Organizational and individual level
Trade unions	Employment, fairness and good working conditions	Organizational and individual level
Local government and interest groups	Employment, political interests	Societal level
National government	Labor legislation and social legitimacy	Societal level
Other interest groups	Sectoral interests, professional interests	Societal level
Suppliers	Vendor business interests	Organizational and societal level
Customers	Costs, quality and innovation	Societal level

4.13. CONCLUSION: HRM AS A STRATEGIC PARTNER (CHAPTER 8)

4.13.1. PERFORMANCE AND HRM

- The link between performance and HRM, HRM needs a performance oriented culture
- New Public Management:
 - Reinventing government (Al Gore)
 - Government Performance and Results Act (US, 1993)
 - Link between Office of Budget and HRM
 - Capability Review Programme UK
 - Copernicus reform Belgium and Flemish Reform since 1994
 - BBB: Beter Bestuurlijk Beleid (2006)

Nieuwe structuren alleen betekenen niets als je tot een klantvriendelijke en slagkrachtige overheid wilt komen. Het zijn de mensen die de hefboomen van vernieuwing en goede dienstverlening hanteren. Daarom werkt de Vlaamse regering ook aan een slagkrachtig en samenhangend personeels- en human-resourcesbeleid.

[Nieuwe statuten en arbeidsvoorwaarden](#) scheppen het kader voor een personeelsbeleid dat een evenwicht vindt tussen enerzijds eenheid en transparantie van arbeidsvoorwaarden en anderzijds de ruimte voor lijnmanagers om eigen accenten te leggen.

[De herziening van het beloningsbeleid](#) streeft naar een billijke en marktconforme beloning van het overheidspersoneel.

[Een globale interne arbeidsmarkt](#) betekent dat op termijn interne mobiliteit voor het personeel mogelijk wordt tussen alle ministeries en agentschappen van de Vlaamse overheid.

[Anders werken](#) heeft aandacht voor flexibele kantoorinrichting en telewerken, en voor de optimalisatie van huisvesting en logistiek.

4.13.2. RESULT-ORIENTED HRM

The possibility of SHRM is connected with the presence of a performance culture. As already mentioned, the implementation of performance management is considered as one of the most important components of innovative HRM in the organization. This means that:

- The necessary organizational structures must be present to facilitate purposeful actions of employees, teams and departments
- The necessary performance culture must exist to install the adequate result-oriented mind-set of the organization
- A culture of strategic thinking and acting:
 - The presence of a strategic plan
 - The presence of a HRM strategy and plan
 - Development of a strategic reflex
 - Creating development plans for employees
 - Support of teamwork
 - Implementation of a quality culture
 - Evidence based management and measurement culture
 - Possibility for change

'Performance management is creating a shared vision of the purpose and aims of the organization, helping each individual to understand and recognize their part in contributing to them, and in so doing to manage and enhance the performance of both individuals and the organization' (Fletcher and Williams, 1996).

4.13.3. HRM AND MEASUREMENT

- The urge for accountability
- Different measurement systems on different levels:
 - Organizational level: Balanced Scorecards, TQM systems, ...

- Unit level: HR Scorecards, Unit Scorecards, Performance Indicators
- Employee level: Individual performance indicators, goals, targets

The HR Manager as a strategic partner and a business partner proving the added value of HRM and working for the future success of the organization

5. ORGANIZATIONAL DIMENSION



HRM refers to the management of employee and organization. The functioning of organizations is as important as the functioning of employees.

CONTENTS

1. Introduction: organizations and people
2. Organizational structure and culture as precondition for effective HRM
3. Facilitating organizational design
4. Organizational design and consequences for HRM
5. The role of HRM
6. Organizational development and HRM

5.1. HUMAN RESOURCE MANAGEMENT IS MORE THAN THE MANAGEMENT OF PEOPLE, IT IS ABOUT ORGANIZATIONS

HISTORY MANAGEMENT OF PERSONNEL AND... ORGANIZATION

- Early personnel management in the hands of psychology
 - *Functioning of employees was treated as a question of motivation, commitment, needs, leadership and personal screening during recruitment and selection*
- The influence of organizational sociology
 - *To help shift the attention to the structural and cultural deployment of people in organizations*
- Understanding organizations leads to organizational development
- Structure and culture: two aspects of organizations

BOXALL: HUMAN CAPITAL AND ORGANIZATIONAL CAPITAL

*He determined the difference between the advantages realized by deployment of **employee's capital** and the advantage realized by the **organizational process**.*

- Two logics:

- **Human Capital Advantage:** typical HRM systems (recruiting, selection, appraisal etc...)
 - **Organization Process Advantage:** cooperation processes, team management, change management, organizational development
- This implies that attention must be paid to selection, training, development, remuneration of employees and also to the way employees work together

STRUCTURE

- Organizational structure: structural environment for employees, organization chart, organizational model (hierarchy, network, etc...). Structures limit personal freedom, but also facilitate people to obtain results (paradox of organizations!)
 - *Direct employees to cooperation and collective action*
- Examples: hierarchy versus flat organization, learning organizations, ...

CULTURE

- Organizational culture: values, norms, goals, symbols and behavior is typical for organizational life, organizational mindset
- Examples: organizational culture and the failure of mergers & acquisitions, organizational cultural diversity, managerial cultures, ...

5.2. ORGANIZATIONAL STRUCTURES AND CULTURES AS PRECONDITIONS FOR AN EFFECTIVE HUMAN RESOURCE MANAGEMENT

5.2.1 THE ACTUAL CHALLENGE FOR ORGANIZATIONS

THE FAILURE OF BUREAUCRATIC ORGANIZATIONS

- Traditional design for organizations
- Focused on routines, procedures, ...
 - *Clear structure, procedure and rules, hierarchy, ...*
- Mechanical way of coordination
- Rigid, not flexible
- Not adapted to dynamic environments
- Optimal structure in stable, predictable environments

NEW PUBLIC MANAGEMENT AND HRM

- In the public sector, reforms can be linked to NPM, with its clear emphasis on effectiveness, efficiency and accountability. Innovations are:
 - Making HRM in the public sphere similar to business policies;
 - Fostering HR decentralization
 - Achieving a new balance between quality and performance
 - Replacing life-long careers, based on unilateral appointment with contractual relations;

- Promotion based on competencies and temporal contracts;
- Introducing mandates, management by objectives and project management;
- Moving towards the individualization of social relations

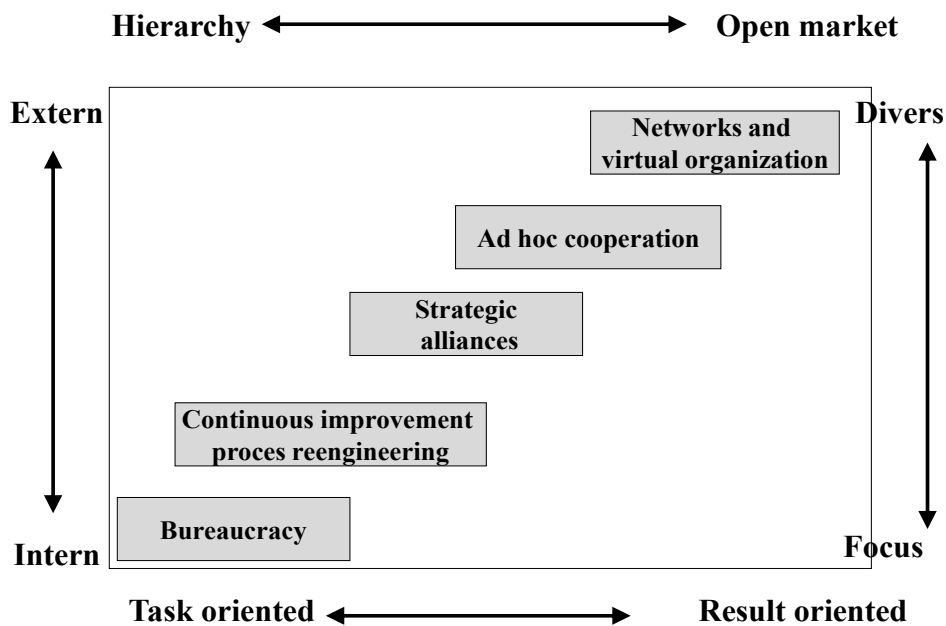
ASHKENAS & ULRICH

- Four important factors determine the success of classic bureaucratic forms:
 - **Size:** bigger organizations have more resources to grow even further. They are able to impose their will on consumers and suppliers
 - **Clarity of the rules and tasks:** everyone receives their role and their share
 - **Strong specialization:** success of a bureaucratic organization depends on the cooperation, clearly defined beforehand, between welders, electro technicians, personnel managers, general manager, ...
 - **Well-functioning monitoring system:** management has big responsibility of monitoring and supervising work
- Because of the changing surroundings, these old factors have become hindrances for a successful business
- New factors have been established:
 - **Velocity:** organizations that are able in acting/reacting quickly to changes in the surroundings are ahead of the others
 - **Flexibility:** employees that can be employed in various situations
 - **Internal communication**
 - **Innovation:** creativity, risk control and the possibility of experimenting

Old success factors	New success factors
Magnitude	Speed
Well defined job definition	Flexibility
Specialization	Integration
Control	Innovation

NEW ORGANIZATIONAL MODELS

- Making organizations more dynamic, lean, flatter, flexible and/or innovative
- Competencies instead of functions
- Improvement of internal communication
- Modeling work design and organizational structures in function of individual performances



5.2.2. THE IMPORTANCE OF ORGANIZATIONAL CULTURES FOR HUMAN RESOURCE MANAGEMENT

STRUCTURE AND CULTURE

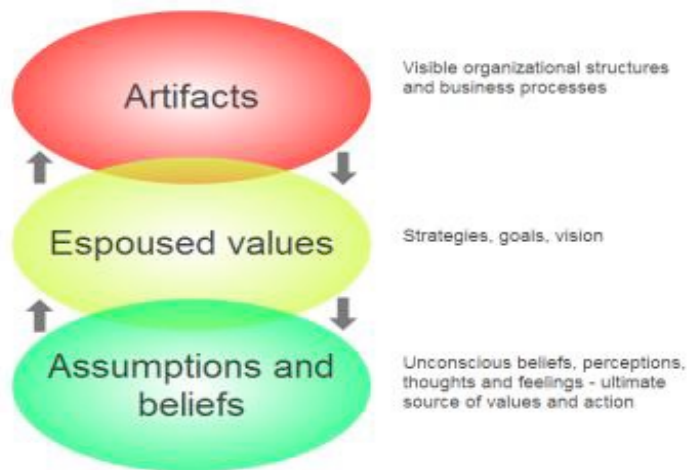
- Structures are facilitating instruments for employee performances
- Culture facilitate employee performance management
- Looking for the most appropriate structure and culture is the most important challenge for organizational development
- Organizational design as a responsibility for the Human Resource Manager

ORGANIZATION CULTURE

We apply a sociological-organizational angle, because of the influence of social structures and culture on the daily actions of individuals.

- Culture is 'the way we do things around here'
 - *Determines the process, strategy, rituals, identity and preferences*
- Function of culture:
 - Social patterns for interaction (knowledge, goals, expectations, values, norms)
 - Defines organizational and individual objectives
 - Goals have to fit the organizational culture
 - Sanctions or feedback
 - *Values and norms have to be respected*
 - Mission statements and vision are based on organizational culture
 - *Illustrates the values, mission and the vision*

Three Levels of Culture (Schein)

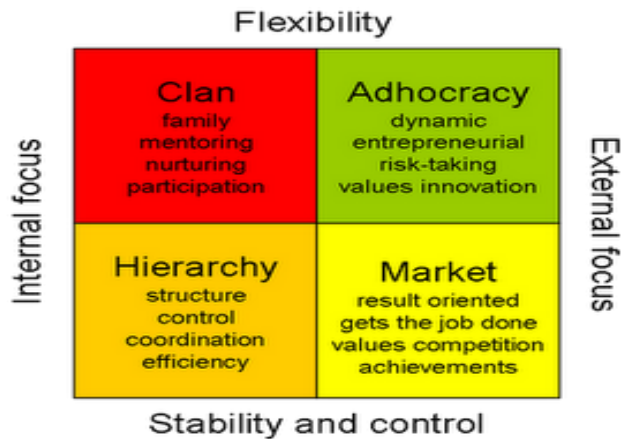


- Behaviors and artifacts: this is the most manifest level of culture, consisting of the constructed physical and social environment of an organization, e.g. physical space, mottos, artistic productions and overt behaviors of members.
- Values: being less visible than are behaviors and artifacts, the constituents of this level of culture provide the underlying meanings and interrelations by which the patterns of behaviors and artifacts may be deciphered.
- Basic assumptions: these represent an unconscious level of culture, at which the underlying values have, over a period of time, been transformed and are taken for granted as an organizationally acceptable way of perceiving the world.

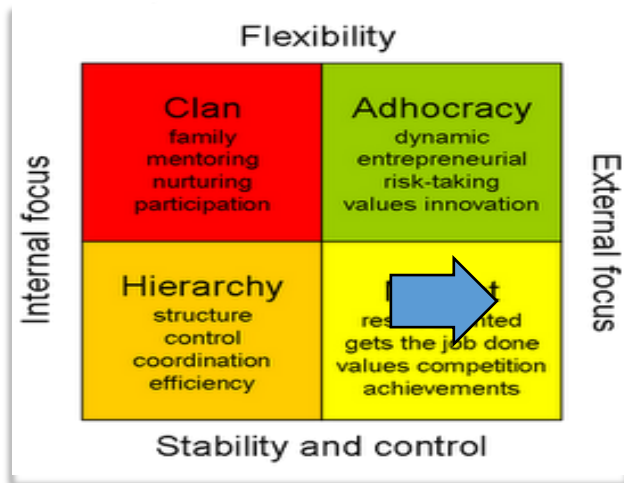
5.2.2.1. TOOLS FOR UNDERSTANDING ORGANIZATIONAL CULTURES

5.2.2.1.2. THE COMPETING VALUES FRAMEWORK OF QUINN AND CAMERON

- Quinn as a basic model of leadership and management styles
 - 'Culture Assessment Instrument'
 - *Make the culture of an organization visible*
 - *Examine the characteristic qualities*
- Expansion for analyzing organizational cultures
- FIT paradigm: HRM should be in line with the organizational culture (a kind of horizontal fit)
- FIT paradigm: and what about the strategic fit, external orientation, vertical fit)



1. Two dimensions:
 - Flexibility, dynamic, innovation (willingness to change and letting go of certainties) versus stability, planning, manageability (organization searches for security and predictability)
 - Internal orientation, integrity and unity versus external orientation, differentiation and rivalry
2. These two dimensions form four quadrants. Each quadrant represents a collection of criteria that contributes to the organization's effectiveness.
 - **Hierarchy:** classical features, procedures, fixed roles, efficiency, cost reduction, ...
 - *Traditional bureaucratic type, formalized and structured, rules and procedures, leaders are coordinators and organizers*
 - **Clan:** team work, commitment, training, fun in the job, ...
 - *Family values, social connectedness, common values and goals, balance of individuality, feeling of belongingness, teamwork and commitment of the employee*
 - **Adhocracy:** entrepreneurship, innovation, creative, project management, R&D, flexible, ...
 - *Able to respond quickly to unpredictable circumstances, risk-taking, dynamism, creativity, innovation lead to success, managers and executives are entrepreneurs*
 - **Market:** result oriented, strategic thinking, profit making, effectivity, benchmarking, ...
 - *Oriented towards the external environment, aimed at transactions with external stakeholders, controlled by economic market mechanisms, goals: reaching results, profitability, high quality, quick service and strong market position, managers are successful when they guide their employees*
1. For the organizational culture, different quadrants must be used to arrive at organizational success



5.2.2.2. OTHER CULTURAL ASPECTS OF HRM

- A first finding is the possibility to analyze organizational cultures and knowing more exactly and explicitly how things are done in an organization
- A second finding is the possibility of cultural change to adapt the organization to new circumstances and changes in the environment
- A third and actually important insight is the existence of different managerial cultures world-wide

5.2.3. THE IMPORTANCE OF ORGANIZATIONAL STRUCTURES

- Structure as the hardware of an organization
 - *Culture could be the software*
- Hierarchy versus non-hierarchical models
 - *Hierarchy*
 - *Appreciation by the way of vertical promotion*
 - *Vertical system of career planning*
 - *Non-hierarchical*
 - *Other forms of career planning*
 - *Example: expert careers*
 - *Other forms of appreciation*
 - *Employees have the freedom to go into managerial or expert functions to make career*
- Structural organizational design

5.3. FACILITATING ORGANIZATIONAL DESIGNS

An organizational configuration consists of structure and culture, both essential for a facilitating infrastructure

5.3.2. THE INSTRUMENTAL DESIGN

- A clear defined hierarchical structure

- Employees have clear instructions, fair treatment, rules, regulations, job security and work systems
- Central role of HRM is to sustain a predictable work environment
- Measurement of effectiveness and success, check systems, ...
- People feel safe, well ordered, ...
- This is the kind of organization that is successful in stable environments

5.3.3. THE QUALITY ORGANIZATION

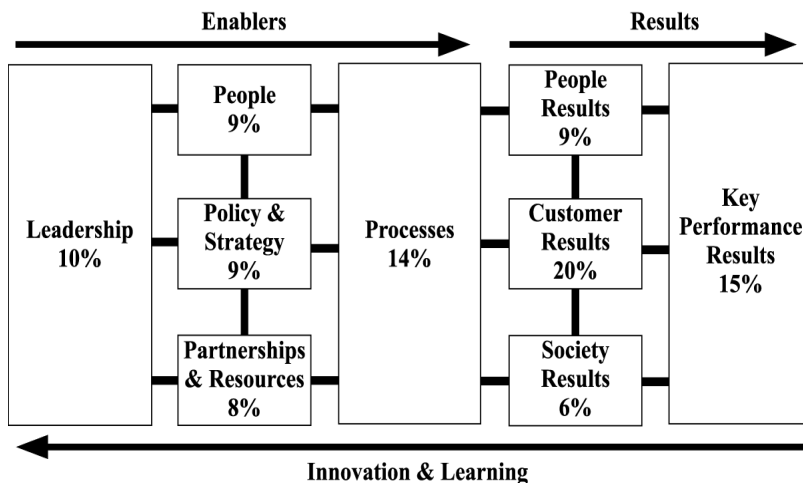


- Focus on quality (from the '70s)
 - *Competition and decisiveness depends on cost management AND control of quality*
- Working with quality measurement systems
 - *The success of quality management by a quality audit through the demands of the ISO9001, 9002, etc. series has become a common practice. It gives organizations a competitive advantage*
- Move towards TQM (= Total Quality Management system) (EFQM) as a precondition for competing with others
 - *With EFQM, the organization creates a permanent dynamic of quality improvement, contrary to the quality audits that are just snapshots of the quality management*

PRINCIPLES OF EFQM

1. **Result-orientation:** *needs of all stakeholders fulfilled?*
2. **Customer-orientation:** *clear view on the wishes of the current and future customer?*
3. **Leadership and purposeful action:** *management is based on process and facts*
4. **Growth and involvement of employees:** *it is best that the human capital is developed based on shared values in a culture of trust, empowerment and involvement*
5. **Continuous learning, innovation and improvement:** *accomplishments of an organization are maximized when knowledge is managed and shared in a culture based on continuous learning, innovation and improvement*
6. **Development of partnerships:** *an organization works more effectively when reciprocal win-win relations exist, based on trust, sharing of knowledge and integration of different partners*
7. **Social responsibility:** *each organization and its employees benefits from ethical actions, especially when the expectations and norms of the society are surpassed*

SCHEME: THE EFQM MODEL OF QUALITY MANAGEMENT (P236)



1. The EFQM model consists of nine areas of importance

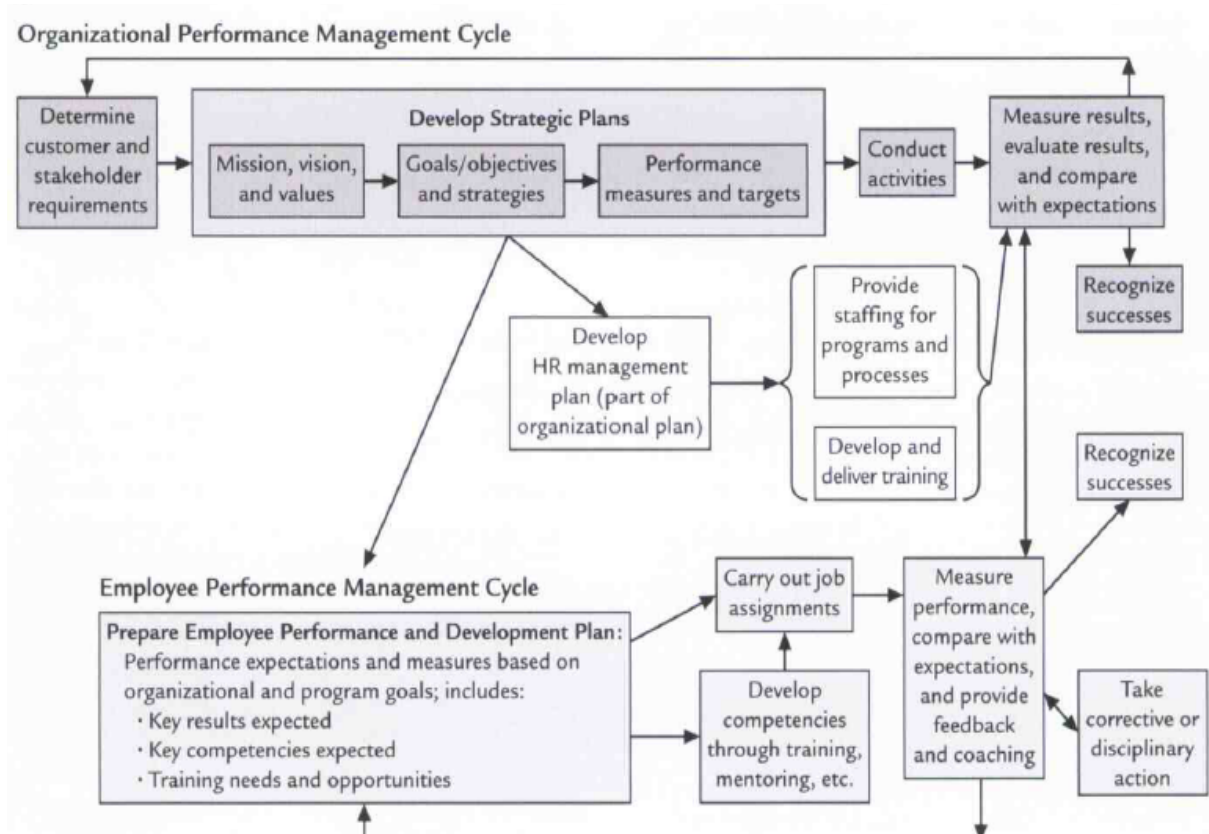
- 2 blocks are focused on HRM (people)
 - Interest towards employees
 - Employee results
- Input – throughput – output

QUALITY ORGANIZATIONS AND HRM

- HRM systems and practices in function of quality
- Training programs focusing on quality and client relationship (see also competency management)
- Personnel appraisal and rewarding in function of quality achievements
- Communication with clients
- Feedback of the client in evaluating quality of the service

5.3.4. THE RESULT-ORIENTED ORGANIZATION

- Business unit model
- *The result-orientated organization is an organizational design, where certain structures and ideas are elaborated that help people working with goals and accountability systems*
- Responsibility and accountability of teams, units and organization
- Ambiguity between autonomy (freedom, individuality) and accountability (control)
 - *Teams have to reach their goals, and are helped by the department or business unit to do so, but receive a certain freedom in the context of self-control*



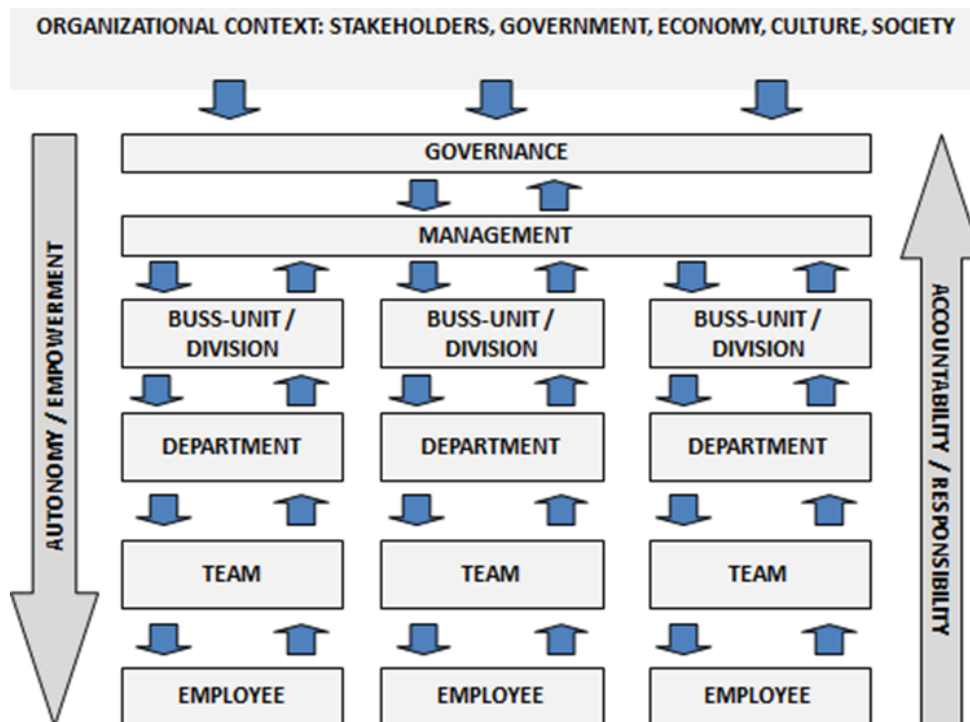
STRATEGIC HRM AND PERFORMANCE MANAGEMENT

“In practical terms, **strategic human resource management** means getting everybody, from the top of the organization to the bottom, doing things to implement the business’s strategy effectively. The idea is to use people most wisely with respect to the strategic needs of the organisation. That doesn’t happen on its own. An integrated framework that systematically links human resource activities with strategic business needs can help.” (Cascio, 2002)

PMO CHARACTERISTICS

Important characteristics of the performance organization:

1. Working with goals (objectives and results) through performance contracts, performance measurement
2. Benchmarking and mutual learning
3. Development of internal communication and feedback systems
4. Introduction of the Deming circle (plan-do-check-act)
5. Strong performance measurement systems
6. Recognition of success



BUSINESS UNIT MODEL (1)

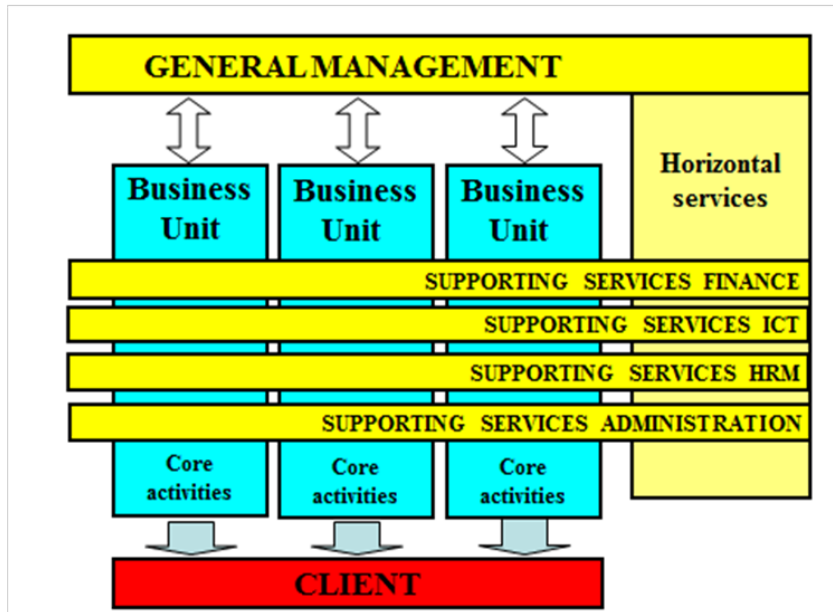
We can easily find organizational control mechanisms to manage a business unit organization:

- The role of a central and general strategy
 - *The central strategy can be translated by a cascade method to several business units*
- Financial output control
- Sustaining functional management system (HRM, marketing, PR, ICT, ...)
- The advantage of scale
- Output control: management by results, output and accountability

GENERAL FEATURES OF THE BUSINESS UNIT MODEL

We list the following characteristics of the business unit model that provide a current and adapted impression of the division organization:

- Strong delegation of entrepreneurship
- Client oriented organization design
- Internal entrepreneurship and deregulation
- Strong decentralization
- Cooperation and strategy
- Different units with homogeneous tasks



The 'what' is more important than the 'how'.

Blue: serve external clients

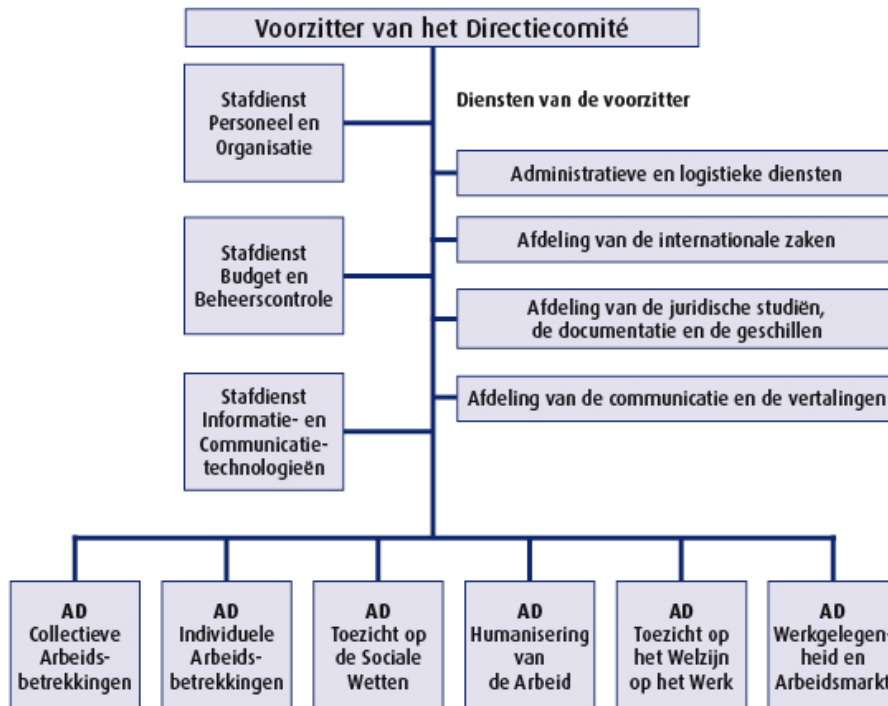
Yellow: internal clients

But everyone is client.

Bv. Employees are client of the financial department

The overhead is important.

- The business unit model represents an organization form that tries to reach a compromise between central management and autonomy of the underlying departments
- By encouraging internal entrepreneurship at the level of the unit, the organization is able to come closer to the customer
- HRM in result-oriented organizations play a major role in fostering a performance culture. In this respect we can discern three levels of establishing a performance culture:
 - The central level
 - The unit level
 - The employee level

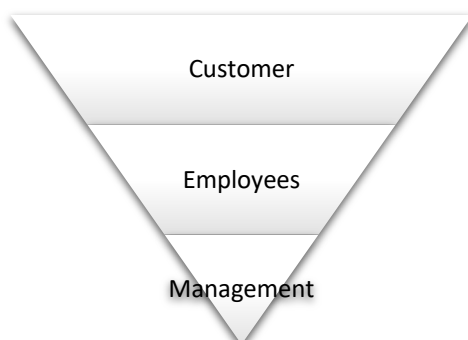


Zij hebben bijvoorbeeld het voorgaande model.

5.3.5. CLIENT CENTRED ORGANIZATION

the business unit model is a more customer driven organization. When we focus more on the client centered aspect of the business unit model, we can speak of a client centered business unit model.

- Focus on the client
- Demand of the client defines work processes and objectives
 - *Example: when clients benefit from a central ticket office function, then the organization has to adapt and not the client*
- “A consistent theme for the competitive future is building and operating organizations that will be more customer responsive (Ulrich).”
- *The organization exists in function of the client. We can envisage a reversed hierarchical organization*



KEY FACTORS FOR A CUSTOMER-FRIENDLY CULTURE (ROBBINS)

- **Type of employee:** *successful, organizations aimed at service hire friendly, helpful people*
- **Little formalization:** *service employees have to be free to respond to the shifting demands of the customer service. Rigid rules, procedures and regulations make this difficult*
- **Room for decisions in the workplace:** *a result of little formalization. The employees have the authority to do anything to make the customer happy*
- **Good listening skills:** *employees in customer-friendly organizations listen and understand the message of the customer*
- **Clear roles:** *service employees work as links between the organization and the clients. They have to meet the demands of both the company as the clients. This can lead to role ambiguity and conflicts.*
- **Self-evidence** of 'model behavior' in the organization: *employees are conscientious and want to fulfil the customer's wishes. They are prepared to show initiative to do this, even if it is not included in their function description*

5.3.6. PEOPLE ORGANIZATION

- People-oriented organization
- Room for coaching and mentorship
 - *Executives are viewed as mentors and coaches of the employees*
- Investing in employee's development
- Empowerment and involvement
- High internal communication
- Working groups, teams,
- Quinn: 'family' (or clan) quadrant of his model

INVESTORS IN PEOPLE

- Certificate that is awarded to organizations that:
 - *"Invests sufficiently in the personnel (development, education, training) which results in a more effective management"*
- The results of an organization must be linked to the individual goals, ambitions, and values of the employees

GENERAL FEATURES

These organizations invest a lot in people in several domains:

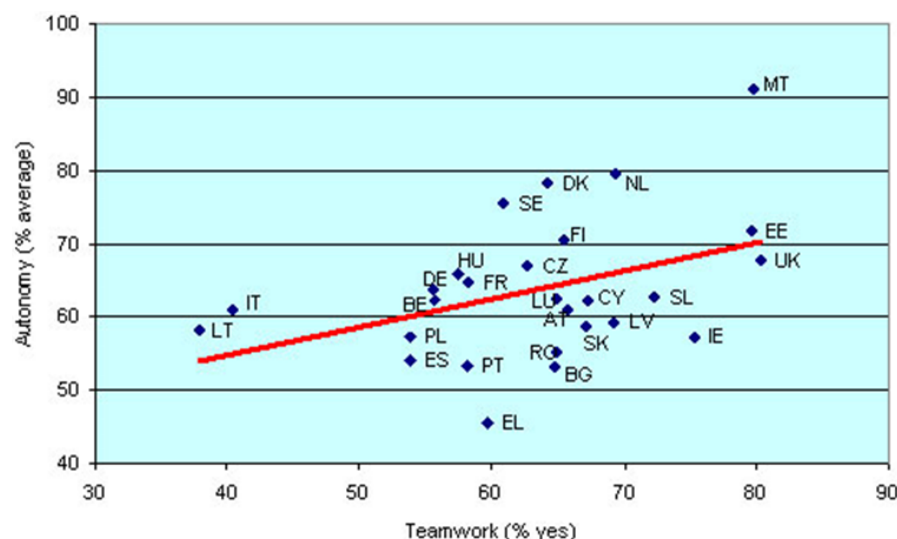
- Personal development: a lot of development opportunities
- Work life balance initiatives: flexible working hours, child care, ...
- Safety and health care initiatives
- Developing a productive social environment
- Sustainable HRM initiatives: diversity management, programs for an ageing workforce, gender equality

- Employee caring

5.3.7. TEAM ORGANIZATION

- Lewin on group dynamics
- The productive side of team management
 - *Employees solve problems together and take responsibility for a part of the output*
- Definition: a team works towards a shared, valuable goal, they work interdependently towards that common goal and they coordinate intensively their activities
- Difference between a group and a team
 - Working group:
 - Two or more individuals
 - Contact with each other
 - Mutually dependent and cooperate to achieve a certain objective
 - Primarily maintains contact to exchange information and take decisions
 - Teams are also a working group
 - Employees are individually held responsible
 - Team
 - Group operation goes beyond mere consultation
 - Leadership tasks are divided
 - Joint problem solving
 - Team members are held responsible individually and collective

Scheme: we notice a positive relationship between individual autonomy and teamwork:



DIFFERENCE WORKGROUP/TEAM

- High autonomy
- Common goals and collective output and outcome
- Team is jointly responsible

- The role of holism (2+3 = 7)

FINAL DEFINITION OF TEAM

Definition of team (Katzenbach & Smith): a small number of people with **complementary skills** who are committed to a **common purpose**, performance **goal** and **approach** for which they hold themselves **mutually accountable**.”

DIFFERENT FORMS OF TEAMS

- **Production team:** *teams that perform routine work*
- **Functional or interdisciplinary team:** *combine different people with different specializations*
- **Network teams**, virtual team: *collaborate through a combination of telecommunication and are not determined by time or space*
- **Project team:** *limited in the future and that require creative problem-solving often with the involvement of specialized knowledge*
- **Local or regional team:** *teams or employees who share the same spatial division*
- **Management team:** *share managerial responsibility and introduce more collegial ways of decision making and leadership in the organization*
- **Action team:** *deliver a unique challenge to exhibit peak performance on demand*

RECOMMENDATIONS FOR TEAMMANAGEMENT

Aquinas formulated six research-based recommendations for team management:

- Use measures of individual and team performance
- Use measures of processes and outcomes
- Develop performance measures using input from inside and outside the team
- Gather performance information using sources from inside and outside the team
- Foster team learning and development
- Reward both individual and team performance

5.3.8. LEARNING ORGANIZATION

- Learning organization as ...continually expanding to create its future (Senge)
- Continuous improvement of its adaptive abilities towards the changing environment
- An organization that installs a system of learn to learn
- Continuous and lifelong learning

CHARACTERISTICS OF LEARNING ORGANIZATIONS

- **Solution-oriented thinking:** *solve problems as fast as possible and creative as possible*
- **Experimenting:** *possibility to test knowledge and skills or experiment them to generate new solutions or to develop new knowledge*
- **Learning from the past**

- **Learning from others:** *knowledge must be shared, it is not the exclusive property of an individual*
- **Transfer of knowledge:** *the transfer of knowledge in the organization by way of training, coaching, knowledge management or other means*

LEVELS OF LEARNING

- Individual learning:
 - Knowledge, skills and attitudes
- Organizational learning
 - Learning communities
 - Learning platform, intranet
 - Virtual learning

KNOWLEDGE MANAGEMENT

- Is the combination of the use of information, the information capacity and information technology and the creative and innovative capacity of employees (Malhorta, 2000: 2010).
- Knowledge creation, knowledge retention and retrieval, and knowledge transfer is managed by specialists (in the HRM department)

5.3.9. THE FLEXIBLE ORGANIZATION

- Adhocracy model of Toffler
 - They consist of organizational structures that are designed to offer temporary solutions to challenges from the environment
- Nearby project management but still more flexible
- Informal ways of working
- Never ending structures
- Different forms of flexibility (Atkinson):
 - Numeric flexibility: core and periphery employees
 - *Ability to change the size of the personnel*
 - Functional flexibility: towards multi-functionality
 - *Ability to employ personnel in different functions*
 - Reward flexibility: finding the appropriate people asks for flexible salary and reward systems

5.3.10. THE INNOVATIVE ORGANIZATION

- Innovative organizations (Bolwijn & Kumpe)
 - Ad hoc teams
 - Not strongly formalized
 - Creative approach

- Installing a 'Sense of Urgency'

CONCLUSION

- HRM needs to find the best configuration of organizational designs
- Each organizational designs has it own organizational culture
- Design in function of achieving successful results

The scheme below summarizes the different designs. Since they differ strongly on a couple of variables, it is hard to bring them together in one and the same organization. It depends on the long range organizational and HRM strategy to decide which way to go. Management will work in the direction of one of more dominant design, to then start the necessary organizational development to translate this design in the adapted organizational structures and cultures. But even in the organization, departments can differ according to the emphasis that is put on a specific design which makes the organizational picture even more complicated. A R&D department differ substantially from the production department since they cope with different work processes, services and organizational logics.

Taking this ambition seriously will urge for a specific role of HRM as a change agent. HRM can pick its role of change agent with the help of organizational development.

Organizational development is a response to change, a collection of change in beliefs, attitudes, values, and structures of organizations with the aim to better adapt to new technologies, markets, and challenges.

	Instrumental design	Quality design	Client centered design	Performance design	People design	Team design	Learning design	Flexible design	Innovative design
Focus	Control and manageability	Quality	Customer satisfaction	Results & Accountability	Competence & Well being	Cooperation & Teamwork	Learning & Development	Flexibility & Responsiveness	Entrepreneurship & Innovation
Structure	Hierarchy Line organization	Line/staff organization	Reversed hierarchy, client centered structure	Business unit model	Business unit, flat organizations,	Teams as central units	Learning organization, Knowledge organization	Networks, coalitions,	Strategic networks, R&D facilities,
Culture	Control, internally focused	Strive for quality, Total Quality Management	Client satisfaction, feedback	Reach results, performance management	Employee centered, communication	Participation, involvement	Learn to learn, personal growth	Dynamic, adaptability, flexible workforce	Entrepreneurship, risk-taking
Means	Efficient work systems, rules, procedures, labor negotiations	Quality care, quality groups, TQM systems	Customer satisfaction measuring, marketing,	Goals, performance measurement systems	Job satisfaction survey, people management, internal communication	Team management, social skills, self-steering teams	Training, management development, learning platform	Deregulation, project management,	Experiments, project management, ad hoc teams, virtual teams
Outcome	Distinctness, order, stability	Quality	Client satisfaction	Organizational performance	Jobsatisfaction, Commitment & Well-being	Team performance	Performance & Competency	Adaptive capacity	New products & Services, Innovation

Studeren beginnen met dit schema: overview of organizational designs and their characteristics

<https://www.youtube.com/watch?v=FRsJbpppvEU>

5.4. ORGANIZATIONAL DESIGN AND CONSEQUENCES FOR HRM

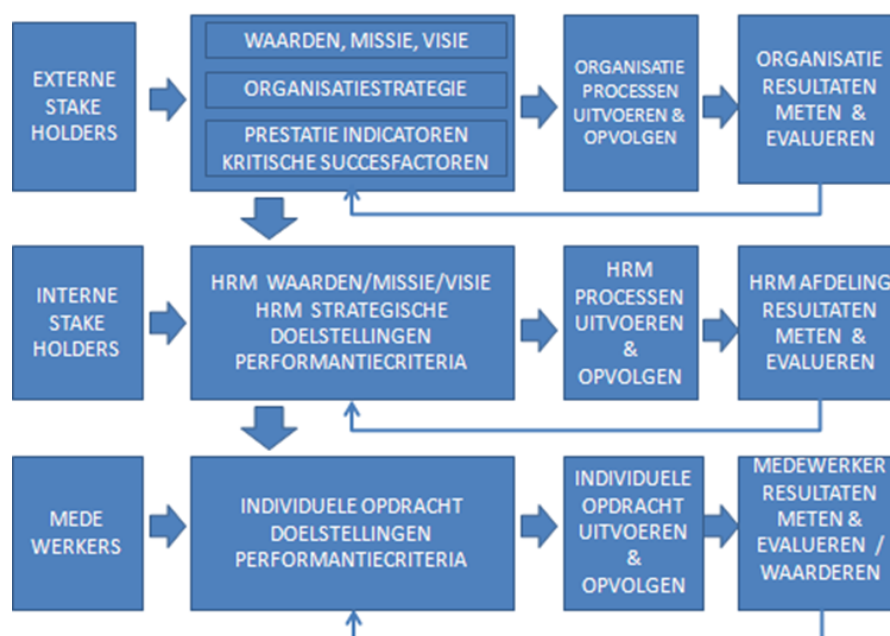
The changing structural and cultural environment of HRM leads to a couple of developments for the position and practice of the HRM department.

5.4.1. FROM A STAFF TO A STRATEGIC AND DYNAMIC POSITION IN THE ORGANIZATION

5.4.1.1. STRATEGIC POSITIONING OF HRM

- From an operational to a strategic position
- Member of the board committee
 - *A first sign of strategic importance is the representation of the HR function on the main board of a business*
- The presence of a written strategic HRM plan
 - *Studies report a trend towards the formalisation of strategy, with more written business strategies and written HR strategies. The prevailing practice in HRM is having a written HR strategy*
- Strategic thinking and acting on all organizational levels
 - *A strategic partnership of HRM means a partnership with all stakeholders in the organization*

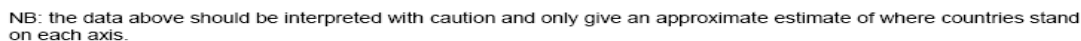
The scheme below illustrates the different levels to work on to create added value in the organization:



5.4.1.2. DEVOLUTION OF HRM

- Delegation of Human Resource Management to the line confirms the role of line management in the implementation process

- DELEGATION OF HRM IN THE PUBLIC SECTOR IN OECD COUNTRIES



5.4.1.3. INDIVIDUALISATION OF HRM

- 97

- 'Letting managers manage'
- Performance related pay
- Cafeteria plans (now I-deals)
- Personal development plan: *zooms in on the individual development needs of employees and makes it possible to create an individualized learning trajectory*
- Individual career plans: *find a match between individual career needs and the possible career paths in the organization*

5.4.1.4. ACCOUNTABILITY OF HRM

- *Strategic thinking and acting opens the way to the introduction of more accountability in the organization*
- *Accountability means making employees, teams, departments and the organization responsible for results*
- Making HRM more accountable
- HRM measurement systems
- Linking the budget to HRM policies
- The HRM scorecards and the KPI's of HRM
- ROI approaches

5.4.1.5. STRUCTURAL SOLUTIONS FOR HRM

- Line staff organization of HRM
- Service delivery center
- Performance center
- Shared service
- Outsourced center
- Adhocracy solutions/virtual constructions

5.4.2. THE ROLE OF HUMAN RESOURCE MANAGEMENT IN THE ORGANIZATION

5.4.2.1. TRADITIONAL ROLE OF HRM

- Storey model
- Tyson and Fell
- Ulrich's model

1. STOREY'S MODEL

- Storey presents a typology of roles for HRM, based on two dimensions:
 - Opposition between strategic and tactical (operational)
 - Defines whether the HR manager has an interventionary role or not
- Four roles or styles for HR managers

1. **Handmaiden role:** provide services at the request of line managers, without significant added value to the organization. In this role, you can hardly speak of HRM
 2. **Regulator role:** functions as a regulator of internal industrial relations between employer and employee
 3. **Advisor role:** functions as an internal consultant within the organization. They are proactive problem solvers and deliver more added value
 4. **Change maker role:** takes place between the HRM policy and the strategic needs of the organization
- The four roles changed from ad hoc, not policy-oriented thinking and acting to a proactive and strategic role of the HR manager in the organization

	Strategic		
Interventionary	<i>Change manager</i>	<i>Advisor</i>	Non-interventionary
	<i>Regulator</i>	<i>Handmaiden</i>	
	Tactical		

2. TYSON AND FELL MODEL

Types of HR professionals			
Type of HR manager	Aspects		
	Discretion	Planning horizon (term)	Roles
'Clerk of the works'	Little	Short	<ul style="list-style-type: none"> • Service junior line managers • Provide administrative support • Follow routines • Look for leadership from others
'Contracts manager'	Some, within limits	Medium	<ul style="list-style-type: none"> • Service and advise middle managers • Provide knowledge of systems and practice • Follow and to some extent modify systems • Provide leadership within existing structures
'Architect'	High	Long	<ul style="list-style-type: none"> • Consultant to senior management • Conceptualise, invent, solve problems • Changes routines and systems as required • Able to cope rapidly with change • Leads and participates with senior management

3. ULRICH'S MODEL

- Two dimensions
 - Future strategic versus day-to-day operations
 - People versus processes

- Four roles

- **Administrative expert:** constantly working on the management of firm infrastructure and delivering efficient HRM processes for staffing, training, appraising, rewarding, promoting and managing the flow of employees in the organization
- **Employee Champion:** increasing employee commitment and capability through listening responding and finding ways to provide employees with resources that meet their changing demands
- **Strategic partner:** the strategic ambition of the HR manager, who is responsible for executing the strategy of the organization through aligning HRM strategy with the global organizational strategy
- **Change agent:** delivering organizational transformation and ensuring the capacity of change

	Strategic focus		
Processes	<i>Management of strategic human resources</i>	<i>Management of transformation and change</i>	People
	<i>Management of firm infrastructure</i>	<i>Management of employee contribution</i>	
	Operational		

5.4.2.2. ACTUAL ROLE OF HRM

CALDWELL

He found in his research a growth in the change manager role of HRM. The change agent role has grown in significance, along with the ascendancy of HRM.

HR roles	Main/Significant role	Moderately important role	Small/Minor role	Total respondents
Advisor	80	13	5	98
Service Provider	48	25	25	98
Regulator	31	37	30	98
Change Agent	67	17	14	98

ACTUAL ULRICH MODEL (1)

Based on the Quinn model: four different HRM roles. HR managers can pick up the role of service delivery, people management innovator and strategic partner.

We can also add the 6 roles of Ulrich:

1. *Strategic Positioner:* HR managers develop HRM strategies in line with business strategies to foster organizational success
2. *Capability Builder* - HR professionals must be able to identify and build organizational capabilities and develop the most appropriate structure and culture to foster a successful workforce

3. *Innovator & Integrator* - HR professionals should innovate HRM systems that improve talent, leadership, employee performance management, organizational development and internal communication.
4. *Technology Proponent*: HR Managers should become familiar with the use of technology to deliver the instrumental HR services
5. *Change Champion*: initiate change and make HRM systems and people more change oriented to foster flexibility, innovation and responsiveness
6. *Credible Activist*: HR Managers should continue to build personal credibility in the organizations to do what they promise, build personal relationships of trust and can be relied on for all HRM demands

ADDITIONAL ROLE (VANDERSTRAETEN)

- Finally, we add a seventh important role:
 - *HRM analyst and decision maker* through data analysis, HRM-analytics, statistics and decision making methodologies
 - Evidence based HRM management

Dimension	Role
Instrumental dimension	Control Role
	Service Delivery Role
People dimension	People Management Role
	Social Environment Role
Strategic dimension	Strategic Role
	HRM Accountability Role
Organizational dimension	Innovator role
	Organizational Development Role

Important scheme! Kind of conclusion. See p279

What is the role of HR today? Two roles for each dimension.

	Role	Role interpretation
Instrumental Dimension	Control Role	<p>Central question: which data do we need to get an overview over our workforce and organization? How can HRM control, monitor and measure the implementation of HRM in the organization? What is the role of HRM Information systems in the management of HRM data?</p> <p>Major activities:</p> <ul style="list-style-type: none"> • Creating ICT solutions for HRM data management • Working with HRM Information Systems and HRM in the cloud • Controlling the correct and fair implementation of HRM systems and practices • HRM cost/benefit analysis
	Service Delivery Role	<p>Central question: what administrative and professional service do employees and managers need? Which HRM transactions are necessary to fulfil the basic needs of employees and managers?</p> <p>Major activities:</p> <ul style="list-style-type: none"> • Controlling procedural and distributive justice in the organization • Professional and administrative assistance for recruitment and selection, welcoming newcomers, career planning, compensation & benefits, training, outplacement, ... • Professional and administrative assistance for employee performance management and competency management • Administrative paperwork (data collection, reporting, ...) • Juridical expertise on personnel problems • Negotiating with HRM suppliers
People Dimension	People Management Role	<p>Central question: how can HRM provide personal support to internal stakeholders? What can we offer our employees in terms of personal development?</p> <p>Major activities:</p> <ul style="list-style-type: none"> • Supporting employees in their personal development • Developing management development and leadership programs • Setting up training and development programs • Providing a learning platform and other electronic learning devices • Helping line managers to fulfil their role as supervisor, coach and evaluator
	Social Environment Role	<ul style="list-style-type: none"> • Mental coach, taking care of wellbeing, ... • Creating good working conditions and a performance work environment • Keeping social peace in the organization • Negotiating labor conditions

Strategic Dimension	Strategic Role	<p>Central question: how can the HR manager fulfil the strategic role in the organization? How can HRM support the realization of the organizational strategy and achieve successful results?</p> <p>Major activities:</p> <ul style="list-style-type: none"> • Drawing up and implementing a HRM strategy • Developing (strategic) HRM systems • Developing core competences of the organization
	HRM Accountability Role	<p>Central question: how can the HR manager prove the added value of HRM in the organization? What are the most important performance drivers?</p> <ul style="list-style-type: none"> • Drawing up a HRM plan • Setting up and monitoring of HRM strategic measurement systems (HRM Key Performance Indicators, scorecards, strategic mapping, workforce scorecards, ...) • Monitoring and evaluation of the implementation of the HRM strategy in units
Organizational Dimension	Innovator role	<p>Central question: how can HRM add value to the innovation in the organization? How can HRM implement new and successful new HRM systems and practices?</p> <p>Major activities:</p> <ul style="list-style-type: none"> • Renew HRM systems and practices • Innovate in the field of ICT driven HRM systems • Innovation in HRM systems and practices • Cultivating entrepreneurship
	Organizational Development role	<p>Central question: how can HRM create a change mindset in the organization?</p> <ul style="list-style-type: none"> • Support change process in the organization • Set up Business Process Reengineering in work processes • Develop a performant organizational culture • Supporting and initiating change management

1. *CONTROL ROLE*

- Controlling the correct and fair implementation of Human Resource Management systems and practices
- HRM data gathering
- Creating ICT solutions for HRM data management
- Working with HRM Information Systems

2. *SERVICE DELIVERY ROLE*

- Controlling procedural and distributive justice in the organization
- Professional and administrative assistance
- Professional and administrative assistance for employee performance management and competency management
- Administrative paperwork (data collection, reporting, ...)
- Juridical expertise on personnel problems
- Negotiating with HRM suppliers

3. *PEOPLE MANAGEMEN ROLE*

- Supporting employees in their personal development
- Developing management development and leadership programs
- Setting up training and development programs
- Providing a learning platform and other electronic learning devices
- Helping line managers to fulfill their role as supervisor, coach and evaluator

4. *SOCIAL ENVIRONMENT ROLE*

- Mental coach, taking care of wellbeing,...
- Creating pleasant, safe and healthy working conditions and a performance work environment
- Keeping social peace in the organization
- Negotiating labor conditions

5. *STRATEGIC ROLE*

- Drawing up and implementing a Human Resource Management strategy
- Developing (strategic) Human Resource Management systems
- Developing core competences of the organization

6. *HRM ACCOUNTABILITY ROLE*

1. Drawing up a Human Resource Management plan
2. Setting up and monitoring of HRM strategic measurement systems (HRM Key performance Indicators, scorecards, strategic mapping, workforce scorecards, ...)

3. Monitoring and evaluation of the implementation of the Human Resource Management strategy in the units

7. *INNOVATOR ROLE*

- Renewing of HRM systems and practices
- Innovation in the field of ICT driven HRM systems
- Innovation in HRM systems and practices
- Cultivating entrepreneurship

8. *ORGANIZATIONAL DEVELOPMENT ROLE*

- Support change process in the organization
- Set up Business Process Reengineering in work processes
- Develop a performant organizational culture
- Supporting and initiating change management

THE ROLE OF HRM IN ORGANIZATIONAL DEVELOPMENT

- Building management development programs:
 - A separate unit responsible for management development programs
 - Mentorship in management development
 - Knowledge center for management development
 - Leadership building

MANAGEMENT DEVELOPMENT PROGRAMS: CRITICAL SUCCESS FACTORS (1)

- Identify and select high-potential employees, being able to have high impact on the organization's success
- Link the management development program to the competency management system
- Define strong leadership competencies such as communication, critical thinking, negotiation, decision making and business ethics to provide the foundation for development programs
- Integrate strong feedback systems to improve feedback seeking behavior such as coaching and 360-degrees feedback
- Involve feedback from participants' direct supervisors, employees and peers to build the program
- Set up external visits and learning from others

https://www.youtube.com/watch?v=RpHX03q_3UI

EXAMPLE EXAMQUESTION

Sowieso zo'n vraag

Build a new HRM selection system: how can you find answers from the different dimensions

Reasons, how to do it, what questions come up

- Instrumental: costs, electronic, transparency, efficiency
- People: right skills of the selectors, which tools to use to motivate people, what communication, employer branding, what kind of information do we put in the vacancy, who will support and accept the new system
- Strategic: linking the strategy with the new system, what competencies do we need (competence management), looking to the future -> vertical alignment
- Is it integrated with other systems like EPM, Management development -> horizontal alignment
- Organizational: which values will we bring in in the system (culture), learning platform for new employees, which departments are involved, who is responsible, how do we structure the procedure (ex. centralized or decentralized)