5 Managing People: Practice and Theory

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It is often observed that people are an organization's most valuable resource. Without the ingenuity, creativity and willingness of individuals to perform assigned tasks, organizations would not function. Human Resource Management is the formal mechanism that many organisations use to manage and develop the people that they employ. Teamwork is central to the way in which most contemporary organisations deliver their goods and services and an examination of teamwork can help on different approaches to work. Sometimes work can be structured to exploit employees. Throughout the text, key words from the wider field of human resource management are identified in a bold font. The intention is to alert you to the need for independent research to help define the ways in which these terms are used in the literature.

Human resource management

Wilton (2011, p4) describes human resource management (HRM) as

> "the term commonly used to describe all those organisational activities concerned with recruiting and selecting, designing work for, training and developing, appraising and rewarding, directing, motivating and controlling workers. In other words, HRM refers to the framework of philosophies, policies, procedures and practices for the management of the relationship that exists between an employer and worker."

Prior to the 1980s, HRM was a term rarely used in the UK. Earlier writing practices had focused on the personnel department of the organization. Indeed, the Chartered Institute for Personnel and Development (CIPD) still uses that terminology. '**Personnel management**' was used by British companies to denote the area of managerial activity, most usually a distinct department, that was concerned with organising the workforce, providing training, ensuring

legal compliance and importantly, managing the relationship between the company and trade unions. In many organisations, personnel management was historically a support function operating on the periphery of the workplace, and the personnel department would have no representation within the strategic decision making forum (Redman and Wilkinson, 2013). However, from the late 1980s the people management function of the organisation started to develop greater strategic ambitions.

In the broader context of social, political and economic changes associated with **Thatcher's government** in the UK and Reagan's presidency in the USA, HRM emerged to displace personnel management (Guest, 1990; Harley and Hardy, 2004). HRM has been promoted over the past thirty or so years as the alternative to the perceptions of the conflictual employment relations of the past, seen to be marred by strikes and disputes. However, some writers (e.g. Guest, 1984) argue the HRM might be little more than the re-naming of personnel management. In fact, some organisations made subtle changes to practice and started to use the terms human resource manager/department instead of personnel manager/department. Other organisations embraced HRM as a mechanism for changing the way in which an organization manages its people (or human resources). Traditionally personnel management was focused on the relationship between employees and **trade unions**. However, as Tichy et al. (1982) note, HRM is concerned with four generic processes: recruitment and selection, appraisal (or performance management), rewards and development.

Recruitment and selection

Recruitment and selection are often considered as the same process. However, they should be examined separately as many argue that recruitment is the single most important HRM activity (Taylor and Collins, 2000). Recruitment is the process of finding the most qualified and most suitable candidates for a job. Recruitment needs to be scrupulously thought out in order to attract the right candidate for the job. Attracting unsuitable candidates is not financially sensible for the organisation concerned and, in the long run, might be regarded as unfair on those candidates who are recruited despite a poor fit in terms of skills, attitude, values, etc.

The amount of money that an organisation spends on selection depends often on the nature of the labour market. If there are many skilled people available for work, as is common when the country is in recession, then an organisation will probably needs to spend less money on its recruitment process. However, if there are fewer skilled (or relevantly skilled) people available for work, then the organisation may have to invest significant time and effort in designing appropriate recruitment processes.

When designing a recruitment process it is important to look at the factors that attract people to apply for a job. A YouGov survey (2006) found the factors that were most important to job applicants are location of work, holiday entitlement, flexible working, salary and bonuses and the workplace culture. Opportunities for promotion and development came a long way down the list. In order to recruit successfully, it is important to understand what is important to candidates and equally, if not more importantly, whether the criteria of suitability for the role are explicit and relevant. This process is often via a job analysis. The cost of making a poor recruitment decision can be disastrous for all concerned over the medium term.

A **job analysis** is the process used to collect information about the duties, responsibilities, necessary skills, outcomes and the work environment of a particular job. You need as much data as possible to put together a job description that is the frequent outcome of the job analysis and forms the basis for both advertising the job and designing selection tools. There are many different methods of job analysis that can involve discussing the role with current job incumbents or independent observation.

Incorrect assumptions about class, gender, ethnic group or physical ability, or any other type of discrimination, can potentially impact on objectivity when recruiting for a particular role. Employers may face legal action and employment tribunals if their recruitment practices do not comply with current legislation. Discrimination is illegal and is covered by specific legislation in the UK. The Equality Act 2010 is an Act of Parliament of the UK and forms the basis of anti-discrimination law in the UK, protecting against discrimination in employment on the grounds of religion or belief, sexual orientation and age as well as disability, gender reassignment, marriage and civil partner status and race.

The job analysis is used to develop a job or person specification and this in turn is adapted to create a brief profile of the ideal candidate and job description. The job description will be used to describe the duties and responsibilities of the jobholder. This information is then used as the basis of any job advert. The job advert can be posted in a number of outlets depending, in which one is viewed as appropriate, taking into account the nature of the work. Possible outlets for such adverts include:

- Job centres
- Recruitment agencies
- Executive search agencies
- Newspapers and trade/professional magazines

Additionally, recruitment can flow from cold callers and word of mouth.

Selection can be viewed as the final stage of the recruitment process that leads to the decision as to who the successful candidate(s) will be. This should also comply with the anti-discrimination law described previously. It is argued that selection should be undertaken in an impartial manner, but this is not always possible when people are involved! As much as we try to be unbiased, often we recruit and select on the basis of underlying biases (including recruiting in our own image). There are many tools used for selecting employees including interviews, psychological tests, work-based tests, assessment centres, references, biodata, graphology, polygraphy, telephone screenings and the Internet. All of these will be covered in more detail in future years of your degree. However, for the purpose of this introduction to people management we will look at the most popular techniques – interviews, psychological tests and assessment centres. We will also look at how the Internet has changed both recruitment and selection.

Interviews remain the most popular way for selecting employees. These can either be one-to-one or by interview panel. Interviews can either be used as a single selection method or be part of a broader selection process, for example an assessment centre. Interviews are popular because they are reasonably inexpensive and present a genuine opportunity for potential employees and employers to exchange information. This allows both parties the possibility of making an informed judgement about person-job fit and person-organisation fit.

Many forms of interview are viewed as having low validity and represent a limited opportunity to select the correct candidate. However, they continue to be a popular selection technique because many managers would not appoint a candidate without meeting them first (Klehe, 2004). There are ways in which interviews can be made both more valid and reliable. This includes using structured interviews (Van der Zee et al., 2002), using situational interviews (Huffcutt et al., 2004), competency-based interviewing (Newell, 2006) and patterned behaviour description interviewing (Huffuctt et al., 2013).

Psychological tests, or psychometric tests as they are frequently known, include both personality tests and intelligence tests. They are frequently used in employee selection because it is believed that they represent a 'valid' and 'scientific' way of selecting employees. Selection tests are most popular for the selection of junior and middle management and are particularly popular for assessing graduates (Newell and Shackelton, 2000).

Psychometric tests that are designed to measure mental ability can include general tests of intelligence, or tests to examine verbal, numerical and special ability. There are even tests that focus on clerical speed, computer aptitudes and sales skills (Toplis, 2014). Those that measure personality are based on 'trait' or 'type' theories and try to identify independent and enduring characteristics that