Contents in Brief

Preface		*xxv*
Part I	Human Resource Management	1
1.	The Practice of Human Resource Management	3
2.	Strategic Human Resource Management	25
3.	HR Strategies	47
4.	Human Capital Management	65
5.	The Role and Organization of the HR Function	81
6.	The Role of the HR Practitioner	104
7.	The Impact of HRM on Performance	135
8.	International HRM	150
9.	Corporate Social Responsibility	165
10.	Human Resource Management Research Methods	174
Part II	Human Resource Management Processes	199
11.	Competency-based HRM	201
12.	Knowledge Management	218
13.	High-performance Work Systems	230
Part III	Work and Employment	249
14.	Work	251
15.	The Employment Relationship	260
16.	The Psychological Contract	276
Part IV	Organizational Behaviour	289
17.	The Essence of Organizational Behaviour	291
18.	Characteristics of People	299

19.	Motivation	316
20.	Engagement and Commitment	335
21.	How Organizations Function	357
22.	Organizational Culture	383
Part V	Organization Design and Development	401
23.	Organization Design	403
24.	Organization Development	415
25.	Change Management	423
26.	Job, Role, Competency and Skills Analysis	443
27.	Job and Role Design and Development	466
Part VI	People Resourcing	477
28.	People Resourcing Strategy	479
29.	Human Resource Planning	485
30.	People Resourcing Practice	495
31.	Recruitment and Selection	514
32.	Selection Interviewing	540
33.	Selection Tests	567
34.	Talent Management	579
35.	Career Management	590
36.	Introduction to the Organization	602
37.	Release from the Organization	609
Part VII	Performance Management	615
38.	The Process of Performance Management	617
39.	360-degree Feedback	643
Part VIII	Learning and Development	651
40.	Learning and Development Strategy	653
41.	The Process of Learning and Development	663
42.	Learning and Development Programmes and Events	683
43.	How People Learn	700
44.	Organizational Learning	713
45.	Management Development	720

Part IX	Rewarding People	733
46.	Reward Management	735
47.	Job Evaluation	755
48.	Market Rate Analysis	783
49.	Grade and Pay Structures	795
50.	Contingent Pay	815
51.	Rewarding Special Groups	839
52.	Employee Benefits, Pensions and Allowances	849
53.	Managing Reward Systems	859
Part X	Employee Relations	875
54.	The Employee Relations Framework	877
55.	Employee Relations Processes	905
56.	Employee Voice	935
57.	Employee Communications	949
Part XI	Health, Safety and Employee Well-being	957
58.	Health and Safety	959
59.	Employee Well-being	975
Part XII	HR Policies, Procedures and Systems	985
60.	HR Policies	987
61.	HR Procedures	1000
62.	HR Information Systems	1010
Appendices		1017
A.	Example of Employee Engagement and Commitment Survey	1019
B.	Example of Performance Management Survey	1020
C.	Example of Reward Survey	1021
D.	Learning and Development Activities and Methods	1022
Useful Website Addresses		*1031*
Subject Index		*1034*
Author Index		*1057*

Contents

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

Part I Human Resource Management 1

1. The Practice of Human Resource Management 3

Introduction 4; Human resource management defined 4; The objectives of HRM 5; Theories of HRM 6; Characteristics of HRM 7; The development of the concept of HRM 13; Reservations about HRM 14; The context of HRM 17; The ethical dimension 19

2. Strategic Human Resource Management 25

Introduction 26; The conceptual basis of strategic HRM 26; Strategic HRM defined 29; The resource-based view of strategic HRM 30; Strategic fit 32; Perspectives on strategic HRM 32; The best practice approach 33; The best fit approach 35; Bundling 37; The reality of strategic HRM 39; Practical implications of strategic HRM theory 40

3. HR Strategies 48

Introduction 48; What are HR strategies? 48; General HR strategies 49; Specific HR strategies 52; Criteria for an effective HR strategy 53; How should HR strategies be formulated? 54; Issues in developing HR strategies 55; Implementing HR strategies 59

4. Human Capital Management 65

Introduction 66; Human capital management defined 66; The concept of human capital 66; The constituents of human capital 68; Human capital measurement 69; Human capital internal reporting 75; Human capital external reporting 76; Introducing HCM 77

5. The Role and Organization of the HR Function 81

Introduction 82; The role of the HR function 82; The organization of the HR function 84; Evaluating the HR function 87; HR shared service centres 92; Outsourcing HR work 93; Offshoring 94; Using management consultants 94; Marketing the HR function 95; HR budgeting 96; The HR role of front line managers 97

6. The Role of the HR Practitioner 104

Introduction 105; The basic role 105; The business partner role 106; The strategic role of HR specialists 108; The change agent role 111; The internal consultancy role 112; The service delivery role 112; The guardian of values role 113; Models of HR roles 113; Gaining support and commitment 117; Ethical considerations 120; Professionalism in human resource management 121; Ambiguities in the role of HR practitioners 122; Conflict in the HR contribution 124; The qualities required by HR professionals 125; Continuous professional development 129

7. The Impact of HRM on Performance 135

Introduction 136; The impact made by HRM 136; How HRM strategies make an impact 141; How HRM practices make an impact 144

8. International HRM 150

Introduction 151; International HRM defined 151; Issues in international HRM 151; Global HR policies and practices 156; Managing expatriates 156

9. Corporate Social Responsibility 165

Introduction 166; Strategic CSR defined 166; CSR activities 167; The rationale for CSR 168; Developing a CSR strategy 170

10. Human Resource Management Research Methods 174

Introduction 175; The nature of research 175; Research philosophy 176; Planning and conducting research programmes 178; Literature reviews 180; Quantitative and qualitative methods of research 181; Methods of collecting data 182; Processes involved in research 187; Statistical analysis 191

Part II Human Resource Management Processes 199

11. Competency-based HRM 201

Introduction 202; Types of competencies 202; Competency frameworks 204; Coverage of competencies 209; Applications of competency-based HRM 210; Developing a competency framework 212; Competencies and emotional intelligence 214

12. Knowledge Management 218

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

13. High-performance Work Systems 230

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

Part III Work and Employment 249

14. Work 251

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

15. The Employment Relationship 260

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

16. The Psychological Contract 276

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

Part IV Organizational Behaviour 289

17. The Essence of Organizational Behaviour 291

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

18. Characteristics of People 299

Introduction 300; Individual differences 300; Personal characteristics 302; Types of behaviour 307; Implications for HR specialists 311

19. Motivation 316

Introduction 317; Motivation defined 317; Types of motivation 318; Motivation theories 319; Motivation and money 329; Motivation strategies 330

20. Engagement and Commitment 335

Introduction 336; The concepts of engagement and commitment compared 336; Employee engagement 337; Organizational commitment 345; The contribution of HR to developing commitment 351

21. How Organizations Function 357

Introduction 358; Organization theory 359; Organization structure 365; Types of organization 366; Organizational processes 369

22. Organizational Culture 383

Introduction 384; Organizational culture defined 384; Organizational climate defined 385; How organizational culture develops 386; The diversity of culture 387; The components of culture 387; Classifying organizational culture 390; Assessing organizational culture 391; Measuring organizational climate 392; Appropriate cultures 394; Supporting and changing cultures 394

Part V Organization Design and Development 401

23. Organization Design 403

Introduction 404; The process of organizing 404; Aims of organization design 405; Conducting organization reviews 406; Who does the work? 412

24. Organization Development 415

Introduction 416; Organization development defined 416; Organization development programmes 417; Assumptions and values of organization development 417; Organization development activities 418

25. Change Management 423

Introduction 424; Types of change 424; The change process 426; Change models 426; Resistance to change 430; Implementing change 432; Guidelines for change management 433; Organizational transformation 434; The role of HR in managing change 437

26. Job, Role, Competency and Skills Analysis 443

Introduction 444; Definitions 444; Job analysis 446; Job descriptions 449; Role analysis and role profiles 451; Generic role profiles 453; Behavioural competency modelling 454; Analysing technical competencies 461; Skills analysis 461

27. Job and Role Design and Development 466

Introduction 467; Job design 467; Role development 473

Part VI People Resourcing 477

28. People Resourcing Strategy 479

Introduction 480; The objective of people resourcing strategy 480; The strategic HRM approach to resourcing 480; Integrating business and resourcing strategies 481; The components of people resourcing strategy 482; Bundling resourcing strategies and activities 482

29. Human Resource Planning 485

Introduction 486; Human resource planning defined 486; Aims of human resource planning 487; Use of human resource planning 488; Approaches to human resource planning 488

30. People Resourcing Practice 495

Introduction 496; Employee value proposition 496; Employer brand 497; Employee turnover 497; Retention planning 503; Absence management 506; Flexibility planning 509

31. Recruitment and Selection 514

Introduction 515; The recruitment and selection process 515; Defining requirements 515; Recruitment planning 518; Attracting candidates 519; Processing applications 527; Selection methods 529; Dealing with recruitment problems 533; References and offers 534

32. Selection Interviewing 540

Introduction 541; Purpose 541; The basis of an interview – the person specification 541; The nature of an interview – obtaining the information 542; Advantages and disadvantages of interviews 544; Interviewing arrangements 545; Preparation 546; Planning an interview 547; Types of interviews 548; Interview techniques – starting and finishing 552; Interviewing techniques – asking questions 552; Selection interviewing skills 560; Coming to a conclusion 562

33. Selection Tests 567

Introduction 568; Psychological tests 568; Aptitude tests 571; Characteristics of a good test 572; Interpreting test results 573; Choosing tests 574; The use of tests in a selection procedure 574; Good practice in psychological testing 575

34. Talent Management 579

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

35. Career Management 590

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

36. Introduction to the Organization 602

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

37. Release from the Organization 609

Introduction 610; Redundancy 610; Dismissal 611; Retirement 612

Part VII Performance Management 615

38. The Process of Performance Management 617

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

39. 360-degree Feedback 643

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

Part VIII Learning and Development 651

40. Learning and Development Strategy 653

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

41. The Process of Learning and Development 663

Introduction 664; Learning and development defined 664; Elements of learning and development 665; Approaches to learning and

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

42. Learning and Development Programmes and Events 683

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

43. How People Learn 700

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

44. Organizational Learning 713

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

45. Management Development 720

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

Part IX Rewarding People 733

46. Reward Management 735

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

47. Job Evaluation 755

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

48. Market Rate Analysis 783

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

49. Grade and Pay Structures 795

Introduction 796; Definitions 796; Types of grade and pay structure 798; Designing grade and pay structures 807

50. Contingent Pay 815

Introduction 816; Contingent pay as a motivator 816; Arguments for and against contingent pay 817; Alternatives to contingent pay 819; Criteria for success 820; Performance-related pay 821; Competency-related pay 822; Contribution-related pay 823; Skill-based pay 825; Readiness for individual contingent pay 827; Developing and implementing individual contingent pay 827; Service-related pay 828; Summary of individual contingent pay schemes 829; Bonus schemes 829; Team-based pay 832; Organization-wide bonus schemes 833; Choice of approach to contingent pay 834

51. Rewarding Special Groups 839

Reward management for directors and executives 840; Reward management for sales representatives 842; Paying manual workers 844

52. Employee Benefits, Pensions and Allowances 849

Employee benefits 850; Pensions 852; Communicating pensions policies 855; Total reward statements 856; Allowances 856

53. Managing Reward Systems 859

Introduction 860; Controlling reward 860; Monitoring and evaluating reward policies and practices 861; Conducting pay reviews 862; Reward procedures 867; Managing the development of reward systems 868; Devolution to line managers of responsibility for reward 868; Communicating to employees 871

Part X Employee Relations 875

54. The Employee Relations Framework 877

Introduction 878; The basis of employee relations 878; Industrial relations as a system of rules 880; Regulations and rules in industrial relations 881; Collective bargaining 882; The unitary and pluralist views 884; The concept of social partnership 886; Individualism and collectivism 886; Voluntarism and its decline 887; The HRM approach to employee relations 887; The context of industrial relations 889; Developments in industrial relations 890; The parties to employee relations 893

55. Employee Relations Processes 905

Introduction 906; Employee relations policies 906; Employee relations strategies 909; Employee relations climate 910; Union recognition 912; Collective bargaining arrangements 913; Collective bargaining outcomes 915; Informal employee relations processes 920; Other

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

56. Employee Voice 935

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

57. Employee Communications 949

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

Part XI Health, Safety and Employee Well-being 957

58. Health and Safety 959

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

59. Employee Well-being 975

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

Part XII HR Policies, Procedures and Systems 985

60. HR Policies 987

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

61. HR Procedures 1000

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

62. HR Information Systems 1010

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

Appendices 1017
A. Example of Employee Engagement and Commitment Survey 1019
B. Example of Performance Management Survey 1020
C. Example of Reward Survey 1021
D. Learning and Development Activities and Methods 1022

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

List of Figures

Figure 0.1	*Armstrong's Handbook of Human Resource Management Practice* route map	xxvi
Figure 1.1	The HRM system	12
Figure 2.1	Strategic HRM model	40
Figure 6.1	The John Storey model of personnel management	115
Figure 6.2	The Peter Reilly model of HR	115
Figure 7.1	Impact of HRM on organizational performance	143
Figure 10.1	Examples of charts	192
Figure 10.2	A scattergram with regression (trend) line	194
Figure 15.1	Dimensions of the employment relationship	262
Figure 16.1	A model of the psychological contract	280
Figure 17.1	The sources and applications of organization behaviour theory	295
Figure 19.1	The process of motivation	323
Figure 19.2	Motivation model (Porter and Lawler)	326
Figure 20.1	Combinations of the impact of engagement and organizational commitment	337
Figure 21.1	Channels of communication within groups	371
Figure 26.1	Example of job description	451
Figure 26.2	Example of a role profile	453
Figure 26.3	Example of a generic role profile	454
Figure 29.1	Human resource planning flow chart	490
Figure 30.1	A survival curve	499
Figure 31.1	Competency-based person specification for a recruitment specialist	518
Figure 31.2	Example of application form (compressed)	530
Figure 32.1	Example of an interview rating form	563
Figure 33.1	A normal curve	569
Figure 34.1	The elements of talent management	582
Figure 34.2	Management succession schedule	587
Figure 35.1	Career progression curves	593
Figure 35.2	The process of career management	595
Figure 35.3	Competency band career progression system	597

Figure 35.4	Career paths in a career family structure	598
Figure 38.1	The performance management cycle	621
Figure 38.2	Performance matrix	633
Figure 39.1	360-degree feedback profile	645
Figure 41.1	Elements of learning and development	666
Figure 41.2	Systematic training model	677
Figure 42.1	The learning gap	690
Figure 42.2	Learning needs analysis – areas and methods	691
Figure 42.3	A learning specification	692
Figure 43.1	The Kolb learning cycle	704
Figure 43.2	A standard learning curve	707
Figure 43.3	Different rates of learning	707
Figure 43.4	A stepped learning curve	708
Figure 44.1	Single- and double-loop learning	716
Figure 46.1	The reward management system: elements and interrelationships	742
Figure 46.2	The components of total reward	743
Figure 46.3	Model of total reward	745
Figure 46.4	A model of the reward strategy development process	750
Figure 47.1	A typical job evaluation programme	771
Figure 47.2	Point-factor job evaluation scheme design sequence	772
Figure 47.3	Analytical matching job evaluation scheme design sequence	776
Figure 49.1	A multi-graded structure	799
Figure 49.2	A broad-graded structure	799
Figure 49.3	Narrow- and broad-banded structures	800
Figure 49.4	A broad-banded structure with zones	801
Figure 49.5	A job family structure	802
Figure 49.6	A career family structure	803
Figure 49.7	A pay spine	803
Figure 49.8	Incidence of grade and pay structures	807
Figure 49.9	Flow chart: design of a new grade and pay structure	812
Figure 50.1	Line of sight model	821
Figure 50.2	Performance-related pay	821
Figure 50.3	Competency-related pay	822
Figure 50.4	Contribution pay model (1)	824
Figure 50.5	Contribution pay model (2)	824
Figure 50.6	Contribution-related pay	825
Figure 50.7	Contribution-related pay model	825
Figure 53.1	Development of reward system	869
Figure 56.1	A framework for employee voice	938
Figure 56.2	Levels of employee voice	940
Figure 62.1	Introducing an HRIS	1015

List of Tables

Table 2.1	Role behaviours appropriate for different strategies, Schuler and Jackson (1987)	36
Table 3.1	Achieving vertical fit between HR and business strategies	56
Table 4.1	A summary of human capital measures and their possible uses	73
Table 4.2	Framework for external reporting	76
Table 5.1	Issues facing HR departments	83
Table 5.2	Measures of HR effectiveness and their use	89
Table 6.1	Competency framework for HR professionals	126
Table 6.2	Key competency areas	127
Table 7.1	Research on the link between HRM and firm performance	136
Table 7.2	The HR practices that impact on performance	144
Table 10.1	Alternative research philosphies	177
Table 10.2	Contrasts between quantitative and qualitative research (Bryman and Bell, 2007)	181
Table 11.1	Incidence of different competency headings	205
Table 11.2	Reasons for using competencies	208
Table 13.1	Lists of HR practices in high-performance work systems	236
Table 13.2	Examples of high-performance working ingredients	242
Table 14.1	Feelings at work (WERS, 2004)	254
Table 16.1	Changes in the psychological contract	282
Table 16.2	Job satisfaction (WERS, 2004)	283
Table 19.1	Summary of motivation theories	319
Table 19.2	Factors affecting motivation strategies and the HR contribution	330
Table 26.1	Criteria for a rigorous competency definition	455
Table 30.1	A survival rate analysis	500
Table 30.2	Leavers' length of service analysis	501
Table 31.1	Person specification classification schemes	517
Table 32.1	Advantages and disadvantages of interviews	544
Table 32.2	Dos and don'ts of selection interviewing	563
Table 41.1	Characteristics of formal and informal learning	669
Table 43.1	The implications of learning theory and concepts	709
Table 46.1	Economic theories explaining pay levels	738

Table 47.1	A factor plan	759
Table 47.2	A paired comparison	763
Table 47.3	Comparison of different job evaluation methods	767
Table 48.1	Analysis of market rate data sources	790
Table 49.1	Summary analysis of different grade and pay structures	805
Table 50.1	Summary of contingent pay and service-related pay schemes	830
Table 51.1	Summary of payment and incentive arrangements for sales staff	842
Table 51.2	Comparison of shop floor payment-by-result schemes	845
Table 53.1	A pay matrix	865
Table 55.1	Industrial relations negotiations/commercial negotiations	923