



# Contents

---

<i>List of figures</i>	<i>xvii</i>
<i>List of tables</i>	<i>xxi</i>
<i>About the author</i>	<i>xxiii</i>
<i>Preface</i>	<i>xxv</i>

## **PART I MANAGING PEOPLE**

<b>1 Human resource management</b>	<b>3</b>
Human resource management defined 3; Human resource system 4; Models of HRM 5; Aims of HRM 8; Policy goals of HRM 10; Characteristics of HRM 11; Reservations about HRM 15; HRM and personnel management 18; How HR impacts on organizational performance 20; HRM in context 24	
<b>2 Human capital management</b>	<b>29</b>
Human capital management defined 29; Human capital management and human resource management 30; The concept of human capital 33; Human capital management: practice and strategy 36; Human capital measurement 37; Human capital reporting 47	

<b>3</b>	<b>Role of the HR function</b>	<b>53</b>
	The overall role of the HR function 54; The role of HR in facilitating and managing change 54; Variations in the practice of HR 56; Organizing the HR function 57; Marketing the HR function 59; Preparing, justifying and protecting the HR budget 60; Outsourcing HR work 61; Shared HR services 63; Using management consultants 64; Evaluating the HR function 66	
<b>4</b>	<b>The role of the HR practitioner</b>	<b>71</b>
	The basic roles 71; Models of the practitioners of HR 76; Gaining support and commitment 81; Ethical considerations 84; Professionalism in HRM 85; Ambiguities in the role of HR practitioners 87; Conflict in the HR contribution 88; The competencies required by HR professionals 89	
<b>5</b>	<b>Role of the front-line manager</b>	<b>93</b>
	The basic role 93; The line manager and people management 94; The respective roles of HR and line management 95; The line manager's role in implementing HR policies 97; How to improve front-line managers as people managers 98	
<b>6</b>	<b>International HRM</b>	<b>99</b>
	International HRM defined 99; Issues in international HRM 99; International organizational models 100; Convergence and divergence 101; Cultural diversity 102; Think globally and act locally 104; International HR policies 104; Managing expatriates 104	
<b>PART II HUMAN RESOURCE MANAGEMENT PROCESSES</b>		
<b>7</b>	<b>Strategic HRM</b>	<b>113</b>
	The concept of strategy 113; Strategic HRM defined 115; Aims of strategic HRM 116; Approaches to strategic HRM 117; Implementing strategic HRM 121	
<b>8</b>	<b>HR strategies</b>	<b>123</b>
	HR strategies defined 123; Purpose 124; The distinction between strategic HRM and HR strategies 124; Types of HR strategies 124; Criteria for an effective HR strategy 129	

<b>9</b>	<b>Developing and implementing HR strategies</b>	<b>131</b>
	Propositions about the development process 132; Levels of strategic decision-making 132; Strategic options and choices 133; Approaches to HR strategy development 134; Methodology for strategy development 140; Conducting a strategic review 141; Setting out the strategy 143; Implementing HR strategies 143	
<b>10</b>	<b>HRM policies</b>	<b>147</b>
	What human resource policies are 147; Why have HR policies 147; Do policies need to be formalized? 148; HR policy areas 148; Formulating HR policies 156; Implementing HR policies 157	
<b>11</b>	<b>Competency-based HRM</b>	<b>159</b>
	Types of competencies 160; Competency frameworks 161; Reasons for using competencies 163; Coverage of competencies 164; Use of competencies 165; Developing a competency framework 167; Defining technical competencies 169; Keys to success in using competencies 169; Emotional intelligence 170	
<b>12</b>	<b>Knowledge management</b>	<b>173</b>
	Knowledge management defined 174; The concept of knowledge 175; The purpose and significance of knowledge management 176; Approaches to knowledge management 176; Knowledge management systems 178; Knowledge management issues 178; The contribution of HR to knowledge management 180	
<b>13</b>	<b>Analysing roles, competencies and skills</b>	<b>181</b>
	Role analysis 187; Competency analysis 193; Skills analysis 198	

### **PART III WORK AND EMPLOYMENT**

<b>14</b>	<b>The nature of work</b>	<b>205</b>
	What is work? 205; Theories about work 206; Organizational factors affecting work 208; Changing patterns of work 210; Unemployment 212; Attitudes to work 212; Job-related well-being 212	

<b>15</b>	<b>The employment relationship</b>	<b>215</b>
	The employment relationship defined 215; Nature of the employment relationship 215; Basis of the employment relationship 217; Defining the employment relationship 217; Significance of the employment relationship concept 218; Changes in the employment relationship 218; Managing the employment relationship 218; Trust and the employment relationship 220	
<b>16</b>	<b>The psychological contract</b>	<b>225</b>
	The psychological contract defined 225; The significance of the psychological contract 227; The nature of the psychological contract 228; How psychological contracts develop 229; The changing nature of the psychological contract 231; The state of the psychological contract 233; Developing and maintaining a positive psychological contract 234; The state of the psychological contract 2004 235	
<b>PART IV ORGANIZATIONAL BEHAVIOUR</b>		
<b>17</b>	<b>Characteristics of people</b>	<b>239</b>
	Individual differences 239; Attitudes 244; Influences on behaviour at work 244; Attribution theory – how we make judgements about people 245; Orientation to work 246; Roles 247; Implications for HR specialists 248	
<b>18</b>	<b>Motivation</b>	<b>251</b>
	The process of motivation 252; Types of motivation 253; Motivation theory 254; Instrumentality theory 254; Content (needs) theory 255; Process theory 258; Herzberg’s two-factor model 262; The relationship between motivation, job satisfaction and money 263; Job satisfaction 264; Motivation and money 267; Motivation strategies 268	
<b>19</b>	<b>Organizational commitment and engagement</b>	<b>271</b>
	The concepts of commitment and engagement 271; Organizational commitment 273; Influences on commitment and employee satisfaction 279; Engagement 281	

<b>20</b>	<b>How organizations function</b>	<b>283</b>
	Basic considerations 283; Organization theories 283; Organization structure 288; Types of organization 289; Organizational processes 292	
<b>21</b>	<b>Organizational culture</b>	<b>303</b>
	Definitions 303; The significance of culture 305; How organizational culture develops 306; The diversity of culture 306; The components of culture 307; Classifying organizational culture 309; Assessing organizational culture 311; Measuring organizational climate 312; Appropriate cultures 313; Supporting and changing cultures 314	
<b>PART V ORGANIZATION, DESIGN AND DEVELOPMENT</b>		
<b>22</b>	<b>Organization design</b>	<b>319</b>
	The process of organizing 319; Aim 320; Conducting organization reviews 321; Organization analysis 321; Organization diagnosis 322; Organization planning 324; Responsibility for organization design 325	
<b>23</b>	<b>Job design and role development</b>	<b>327</b>
	Jobs and roles 327; Factors affecting job design 328; Job design 330; Job enrichment 332; Self-managing teams 333; High-performance work design 334; Role development 334	
<b>24</b>	<b>Organizational development, change and transformation</b>	<b>337</b>
	What is organizational development? 337; Organization development 338; Change management 343; Organizational transformation 352; Development and change processes 355	
<b>PART VI PEOPLE RESOURCING</b>		
	People resourcing defined 359; People resourcing and HRM 359; Plan 361	
<b>25</b>	<b>Human resource planning</b>	<b>363</b>
	The role of human resource planning 363; Aims of human resource planning 368; The process of human resource planning 368; Resourcing strategy 371; Scenario planning 372; Estimating future human resource requirements 373; Labour turnover 375; Action planning 382; The contribution of HR to human resource planning 388	

<b>26</b>	<b>Talent management</b> Talent management defined 390; The elements of talent management 390; Creating a great place to work 394; Attraction strategies 395; Retention strategies 397; Career management 399; Talent management for knowledge workers 407; Talent management in practice 407	<b>389</b>
<b>27</b>	<b>Recruitment and selection</b> The recruitment and selection process 409; Defining requirements 409; Attracting candidates 414; Advertising 416; E-recruitment 420; Outsourcing recruitment 423; Educational and training establishments 424; Application forms 425; Sifting applications 425; Selection methods 429; Types of interviews 430; Assessment centres 430; Graphology 431; Choice of selection methods 432; Improving the effectiveness of recruitment and selection 432; References, qualifications and offers 434; Final stages 436	<b>409</b>
<b>28</b>	<b>Selection interviewing</b> Purpose 439; Advantages and disadvantages of interviews 440; The nature of an interview 441; Interviewing arrangements 442; Preparation 443; Timing 444; Planning and structuring interviews 444; Interviewing approaches 445; Interview techniques – starting and finishing 450; Interviewing techniques – asking questions 450; Selection interviewing skills 457; Coming to a conclusion 458; Dos and don'ts of selection interviewing 459	<b>439</b>
<b>29</b>	<b>Selection tests</b> Psychological tests: definition 461; Purpose of psychological tests 461; Characteristics of a good test 462; Types of test 463; Interpreting test results 467; Choosing tests 468; The use of tests in a selection procedure 468	<b>461</b>
<b>30</b>	<b>Introduction to the organization</b> Induction defined 471; Why taking care about induction is important 472; Reception 473; Documentation 474; Company induction – initial briefing 475; Introduction to the workplace 475; Formal induction courses 476; On-the-job induction training 477	<b>471</b>

- 31 Release from the organization** 479  
 General considerations 479; Redundancy 482; Outplacement 485;  
 Dismissal 487; Voluntary leavers 490; Retirement 490

## **PART VII PERFORMANCE MANAGEMENT**

- 32 The basis of performance management** 495  
 Performance management defined 495; Aims of performance management 496; Characteristics of performance management 496; Understanding performance management 497; Guiding principles of performance management 499; Performance appraisal and performance management 500; Views on performance management 500
- 33 The process of performance management** 503  
 Performance management as a process 503; Performance management as a cycle 503; Performance agreements 504; Managing performance throughout the year 508; Reviewing performance 509; Rating performance 512; Dealing with under-performers 515; Introducing performance management 517
- 34 360-degree feedback** 521  
 360-degree feedback defined 521; Use of 360-degree feedback 522; Rationale for 360-degree feedback 523; 360-degree feedback – methodology 524; Development and implementation 526; 360-degree feedback – advantages and disadvantages 527; 360-degree feedback – criteria for success 528

## **PART VIII HUMAN RESOURCE DEVELOPMENT**

- 35 Strategic human resource development** 533  
 Strategic HRD defined 533; Strategic HRD aims 534; Components of HRD 534; HRD and HRM 535; The process of learning and development 535; Strategies for HRD 536; Human resource development philosophy 537
- 36 Organizational learning and the learning organization** 539  
 Organizational learning 540; The learning organization 543

<b>37</b>	<b>How people learn</b>	<b>549</b>
	Learning defined 549; The learning process 550; Learning theory 550; Learning styles 552; Learning to learn 554; The learning curve 554; The motivation to learn 555; The implications of learning theory and concepts 556	
<b>38</b>	<b>Learning and development</b>	<b>559</b>
	Learning 559; Development 570; Training 575	
<b>39</b>	<b>E-learning</b>	<b>583</b>
	What is e-learning? 583; Aim of e-learning 584; The technology of e-learning 584; The e-learning process 585; The business case for e-learning 586; Developing e-learning processes 588	
<b>40</b>	<b>Management development</b>	<b>591</b>
	Aims of management development 592; Management development: needs and priorities 592; The requirements, nature and elements of management development 593; Management development activities 594; Approaches to management development 596; Emotional intelligence and leadership qualities 602; Responsibility for management development 603	
<b>41</b>	<b>Formulating and implementing learning and development strategies</b>	<b>607</b>
	Making the business case 607; Developing a learning culture 609; Identifying learning needs 610; Planning and implementing learning and development programmes 612; Evaluation of learning 615	
<b>PART IX REWARDING PEOPLE</b>		
<b>42</b>	<b>Reward management</b>	<b>623</b>
	Reward management defined 623; The aims of reward management 624; The philosophy of reward management 624; The elements of reward management 625; Total reward 629; Reward management for directors and executives 634; Reward management for sales staff 636; Paying manual workers 636	



<b>43 Strategic reward</b>	<b>643</b>
Reward strategy defined 643; Why have a reward strategy? 644; The structure of reward strategy 644; The content of reward strategy 645; Guiding principles 649; Developing reward strategy 649; Components of an effective reward strategy 651; Reward strategy priorities 652; Examples of reward strategies 653; Implementing reward strategy 656; Reward strategy and line management capability 657	
<b>44 Job evaluation</b>	<b>659</b>
Job evaluation defined 660; Analytical job evaluation 660; Non-analytical job evaluation 664; The incidence of job evaluation 666; Computer-assisted job evaluation 667; Criteria for choice 668; The case for and against job evaluation 671; Designing a point-factor job evaluation scheme 672; Conclusions 679	
<b>45 Market rate analysis</b>	<b>681</b>
Purpose 681; The concept of the market rate 681; The information required 682; Job matching 682; Presentation of data 683; Sources of information 683	
<b>46 Grade and pay structures</b>	<b>689</b>
Grade structure defined 689; Pay structure defined 690; Guiding principles for grade and pay structures 690; Types of grade and pay structure 691; Designing grade and pay structures 698	
<b>47 Contingent pay</b>	<b>707</b>
Contingent pay defined 708; The incidence of contingent pay 708; The nature of individual contingent pay 709; Individual contingent pay as a motivator 709; Arguments for and against individual contingent pay 710; Alternatives to individual contingent pay 712; Criteria for success 713; Performance-related pay 713; Competence-related pay 714; Contribution-related pay 716; Skill-based pay 718; Service-related pay 720; Choice of approach 721; Readiness for individual contingent pay 721; Developing and implementing individual contingent pay 724; Team-based pay 724; Organization-wide schemes 725	

<b>48</b>	<b>Employee benefits, pensions and allowances</b>	<b>729</b>
	Employee benefits 729; Occupational pension schemes 731; Allowances and other payments to employees 734	
<b>49</b>	<b>Managing reward systems</b>	<b>737</b>
	Reward budgets and forecasts 737; Evaluating the reward system 739; Conducting pay reviews 740; Control 744; Reward procedures 745; Responsibility for reward 746; Communicating to employees 748	
<b>PART X EMPLOYEE RELATIONS</b>		
	Employee relations defined 751; Plan 752	
<b>50</b>	<b>The framework of employee relations</b>	<b>753</b>
	The elements of employee relations 754; Industrial relations as a system of rules 754; Types of regulations and rules 755; Collective bargaining 756; The unitary and pluralist views 758; The reconciliation of interests 759; Individualism and collectivism 759; Voluntarism and its decline 759; The HRM approach to employee relations 761; The context of industrial relations 762; Developments in industrial relations 763; The parties to industrial relations 766; Role of the HR function in employee relations 771	
<b>51</b>	<b>Employee relations processes</b>	<b>773</b>
	Employee relations policies 774; Employee relations strategies 778; Employee relations climate 779; Union recognition and de-recognition 781; Collective bargaining arrangements 783; Informal employee relations processes 788; Other features of the industrial relations scene 789; Managing with trade unions 791; Managing without trade unions 792	
<b>52</b>	<b>Negotiating and bargaining</b>	<b>795</b>
	The nature of negotiating and bargaining 795; Negotiating 796; Negotiating and bargaining skills 803	

<b>53 Employee voice</b>	<b>807</b>
The concept of employee voice 807; Involvement and participation 808; Purposes of employee voice 808; The framework for employee voice 808; Expression of employee voice 809; Factors affecting choice 810; Forms of employee voice 810; Joint consultation 811; Attitude surveys 812; Suggestion schemes 814; Planning for voice 815	

<b>54 Communications</b>	<b>817</b>
Communication areas and objectives 819; Communications strategy 819; Communication systems 821	

## **PART XI HEALTH, SAFETY AND WELFARE**

<b>55 Health and safety</b>	<b>829</b>
Managing health and safety at work 830; The importance of health and safety in the workplace 830; Benefits of workplace health and safety 831; Health and safety policies 832; Conducting risk assessments 833; Health and safety audits 836; Safety inspections 838; Occupational health programmes 838; Managing stress 839; Accident prevention 841; Measuring health and safety performance 841; Communicating the need for better health and safety practices 842; Health and safety training 843; Organizing health and safety 843	

<b>56 Welfare services</b>	<b>845</b>
Why provide welfare services? 845; What sort of welfare services? 847; Individual services 848; Group welfare services 851; Provision of employee welfare services 851; Internal counselling services 852; Employee assistance programmes 852	

## **PART XII EMPLOYMENT AND HRM SERVICES**

<b>57 Employment practices</b>	<b>857</b>
Terms and conditions and contracts of employment 858; Mobility clauses 860; Transfer practices 860; Promotion practices 861; Flexible working 862; Attendance management 863; Equal opportunity 866; Ethnic monitoring 867; Managing diversity 868; The Data Protection Act 869; Sexual harassment 870; Smoking 872; Substance abuse at work 873; Bullying 873; AIDS 874; E-mails 874; Work-life balance 875	

<b>58 HRM procedures</b>	<b>879</b>
Grievance procedure 880; Disciplinary procedure 881; Capability procedure 883; Redundancy procedure 885	
<b>59 Computerized human resource information systems</b>	<b>889</b>
Benefits of a computerized human resource information system 890; HR information strategy 890; The functions of a computerized HR system 891; The technical infrastructure 892; Rating of system features 892; An effective system 893; Problems and how to deal with them 894; Developing a computerized HR information system 895; Applications 899; Auditing the system 906	
<i>Appendix: Example of an attitude survey</i>	907
<i>References</i>	911
<i>Subject index</i>	953
<i>Author index</i>	977