



TEXTBOOK TESTBANKS

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Test Bank

This test bank is designed to be used in conjunction with *An Introduction to Human Resource Management*, 6th edition.

Chapter 1: What is HRM?

1. The rise of HRM is associated with the growth of which of the following in the employment relationship?

- a. collectivism
- b. Marxism
- c. individualism
- d. pluralism

Ans: C

2. The distinctive approach to people management known as HRM originated in which country?

- a. Germany
- b. Sweden
- c. Japan
- d. the United States

Ans: D

3. A contemporary trend in HRM is a shift in responsibility for HR activities _____.

- a. from HR specialists to senior management
- b. from HR specialists to union representatives
- c. from HR specialists to line managers
- d. from senior managers to HR specialists

Ans: C

4. Stanton and Coover (2004) suggest that the HR function can be divided into which three broad, interlocking functional areas: _____.
- a. administrative, financial, performance
 - b. recruitment, performance, development
 - c. recruitment, selection, performance
 - d. learning, reward, performance

Ans: A

5. Which of the following is not associated with work in the gig economy?
- a. lower costs for the employer
 - b. more regular hours of employment
 - c. greater insecurity for workers
 - d. weak legal protection of worker rights

Ans: B

6. Employee 'voice' is associated with which group of HR activities?
- a. employment relations
 - b. reward
 - c. performance
 - d. resourcing

Ans: A

7. Human Resource Management emerged as a distinctive approach to the management of people in which decade?
- a. 1980s
 - b. 1990s
 - c. 1970s
 - d. 1960s

Ans: A

8. The development of a positive employer–employee relationship based on mutual trust is associated with which of the following?

- a. hard HRM
- b. soft HRM
- c. collectivism
- d. personnel management

Ans: B

9. Which of the following is NOT one of the four groups of characteristics in Storey's (2007) HR model?

- a. beliefs and assumptions
- b. specific HR practices
- c. critical role of managers
- d. strategic qualities

Ans: B

10. Ethical concerns over managerial attempts to manage organisational culture in order to shape employee behaviour, centre on the extent to which it seeks to create employees which of the following?

- a. willing slaves
- b. robots
- c. passive actors
- d. unthinking individuals

Ans: A

11. Which of the following terms does Legge (1995) use to describe the relabelling of personnel departments as HR departments with no fundamental change in their function or activity?

- a. money for old rope
- b. same old, same old
- c. old wine in new bottles
- d. monkey see monkey do

Ans: C

12. Which of the following terms is used by Ulrich and Brockbank (2005) to describe the dimension of the HR specialist's role concerned with addressing the needs of the workforce?

- a. employee liaison
- b. employee advocate
- c. employee's friend
- d. employee supporter

Ans: B

13. Which of the following terms is the term used by the CIPD to describe an HR specialist who can critically reflect on the contribution of HR activities to overall business success?

- a. HR developer
- b. interested actor
- c. thinking performer
- d. change manager

Ans: C

14. Which of the following are not terms used to describe more strategic approaches to HRM that seek to contribute both to organisational and individual performance?

- a. high-commitment HRM

- b. high-performance HRM
- c. high-maintenance HRM
- d. best Practice HRM

Ans: C

15. According to the CIPD (2009), which of the following is not a typical characteristic of front-line managers?

- a. responsible for an employee or workgroup to a higher level of management
- b. normally lower management
- c. Employees who report to them do not themselves have any managerial or supervisory responsibility.
- d. often recruited from outside of the organisation

Ans: D

Chapter 2: HRM and the individual

1. The perspective on the employment relationship which views work organisations as made up of competing interest groups is _____.

- a. unitarist
- b. Marxist
- c. feminist
- d. pluralist

Ans: D

2. The perspective on the employment relationship which views work organisations as akin to 'teams' or 'families' where all members share common interests is _____.

- a. unitarist
- b. pluralist
- c. feminist
- d. Marxist

Ans: A

3. Which of the following is used to describe an employment relationship in which each party uses the other for short-term benefit?

- a. relational
- b. transient
- c. transactional
- d. fleeting

Ans: C

4. Which of the following was the term used by Frederick Taylor to describe how workers deliberately underwork?

- a. systematic soldiering
- b. natural soldiering
- c. social soldiering
- d. dawdling

Ans: A

5. Scientific management is associated with which of the following?

- a. upskilling
- b. deskilling
- c. reskilling
- d. multi-skilling

Ans: B

6. Elton Mayo is associated with which programme of research is associated with Human Relations theory?

- a. Hawthorne experiments
- b. Philadelphia experiments

- c. Chicago experiments
- d. Bournville experiments

Ans: A

7. Which of the following refers to the mode of control associated with allowing workers greater discretion in their work?

- a. sophisticated responsibility
- b. responsible autonomy
- c. direct control
- d. individual control

Ans: B

8. Control via the demarcation of responsibility, the construction of internal labour markets and career structures is referred to as _____.

- a. technical control
- b. hierarchical control
- c. bureaucratic control
- d. sectional control

Ans: C

9. Boxall and Purcell (2003) suggest that individual performance is a function of _____.

- a. ability, motivation, opportunity
- b. aptitude, motivation, organisation
- c. ability, management, organisation
- d. aptitude, management, opportunity

Ans: A

10. Motivational theories can be divided into which two groups?

- a. process and context

- b. process and content
- c. progress and content
- d. progress and context

Ans: B

11. Vroom is associated with which motivational theory?

- a. agency theory
- b. expectancy theory
- c. content theory
- d. hierarchy of needs

Ans: B

12. Which of the following is NOT associated with Fordism?

- a. standardisation
- b. flexibility
- c. routinisation
- d. mass production

Ans: B

13. Which of the following is NOT associated with post-Fordism?

- a. batch production
- b. task specialisation
- c. high skill
- d. customisation

Ans: B

14. Herzberg (1966) referred to those factors which are prerequisites for individual motivation but which cannot act as motivators alone, as _____

- a. hygiene factors

- b. satisfiers
- c. elemental factors
- d. maintenance factors

Ans: A

15. Which of the following represents the highest level in Maslow's hierarchy of needs?

- a. self-actualisation
- b. physiological needs
- c. esteem needs
- d. safety needs

Ans: A

16. What concept describes an employee's state of mind that reflects a combination of their commitment to their employer and the degree to which they are willing to actively support and help out colleagues?

- a. employee engagement
- b. employee expression
- c. employee emancipation
- d. employee awareness

Ans: A

17. What term is used to describe the implicit risks for each party to the employment relationship that are the domain of ethical decision-making?

- a. moral maze
- b. moral hazards
- c. mortal dangers
- d. moral compass

Ans: B

Chapter 3: HRM, strategy and performance

1. Bamber and Meshoulam (2000) propose two dimensions of HR strategy: 'acquisition and development' and which of the following?

- a. locus of control
- b. focus of control
- c. focus of supervision
- d. locus of surveillance

Ans: A

2. A strategy that incorporates a predominant focus on a firm's internal labour market as a source of required labour is referred to as _____.

- a. make strategy
- b. buy strategy
- c. acquire strategy
- d. borrow strategy

Ans: A

3. Schuler and Jackson (1987) suggest that the aim of HR strategy is to develop which of the following in order to enact a particular competitive strategy?

- a. required worker actions
- b. required people behaviour
- c. needed role behaviours
- d. necessary worker activity

Ans: C

4. Schuler and Jackson (1987) suggest which HR strategy is required to match Porter's competitive strategy of focusing on niche markets.

- a. innovation

- b. quality enhancement
- c. cost reduction
- d. progressive

Ans: A

5. The alignment of competitive strategy, HR strategy and HR policies and practices is referred to as _____.

- a. horizontal fit
- b. vertical configuration
- c. vertical integration
- d. horizontal association

Ans: C

6. HR practices that are complementary are referred to as _____.

- a. positive combinations
- b. positive bundles
- c. positive arrangements
- d. affirmative groups

Ans: B

7. HR practices that have the effect of cancelling out the positive impact of one another are referred to as _____.

- a. deadly combinations
- b. fatal mixtures
- c. weak links
- d. missing link

Ans: A

8. Boxall and Purcell (2003) use which term to refer to the extent to which managers have discretion in strategic decision-making?

- a. degree of discretion
- b. degrees of freedom
- c. degree of autonomy
- d. degree of flexibility

Ans: B

9. The UK hotel sector is often associated with which form of people management and work organisation.

- a. post-Fordism
- b. pluralism
- c. Taylorism
- d. sophisticated HRM

Ans: C

10. What term do Torrington et al. (2008) use to refer to a relationship between HR and business strategy where HR is the key strategic decision-maker within the organisation?

- a. HR-directed
- b. HR-driven
- c. holistic
- d. HR-dominated

Ans: B

11. Which of the following do NOT form part of the seven HR practices identified by Pfeffer (1998) that, when combined, deliver improved performance?

- a. extensive training
- b. selective hiring
- c. high pay contingent on company performance

Teaching guide

Introduction

Dear Lecturer,

Welcome to the Teaching Guide for *An Introduction to Human Resource Management*, sixth edition. This resource has been written hand in hand with the book to support your teaching, and both are briefly introduced below.

What does the book do?

The book stems from personal experience teaching on a range of undergraduate and postgraduate HRM, sociology of work and employee relations modules, as well as conversations with colleagues. It became clear that there was a need for an introductory text that went beyond a more prescriptive approach to HRM (what does HRM do?) to something more critical and reflective (why does it do that and what is its impact on individuals and the organisation?). This book has been written to address both these dimensions. In the book I have sought to provide an integrated overview of the role of HRM in its contemporary context, combining a critical approach to the theoretical constructs which inform HRM practice, the operation of HRM and contemporary concerns and issues in the management of people. It explores HRM not simply as a remote activity of specialists but as the concern of all those in organisations; whether those who have responsibility for line management or those who are simply 'managed'. The book situates HRM in the context of economic and organisational change and in relation to wider business, organisational and social processes.

How does the teaching guide support your teaching?

This guide has been designed to support you to get the most from the book in your teaching. For each chapter of the book, the manual includes:

- Detailed teaching notes for the activities in each chapter, including the new running case study and the end-of-chapter case study. These notes draw out the central concepts and issues for use in group discussion, seminars and tutorials.

- Additional online case studies complete with discussion questions and teaching notes.
- Additional resources that can be shared with students or used to support in-class activities.
- Further additional online resources are also available to supplement the book and to support your teaching, including an MCQ test bank, PowerPoint slides and video links. There is also a wealth of online material for students, including quiz questions and access to free SAGE Journal articles.

I hope that both you and your students enjoy the book and would love to hear your views over email or if our paths cross at a conference or event.

Best wishes,

Nick Wilton

Chapter 1: What is HRM?

1. Chapter overview and aims

- To introduce competing definitions of HRM.
- To describe how the term ‘human resource management’ came to be so widely used.
- To outline the characteristics of the ‘high commitment’ variant of HRM.
- To outline the changing HR function and the growing role of line managers in HRM.
- To introduce the ethical debates surrounding HRM.
- To describe how HRM practices might differ in small and medium-sized enterprises.

2. Teaching suggestions

The overarching purpose of this chapter is to encourage students to understand the importance of HRM to contemporary firms, whilst recognising that the reality of practice does not often meet the rhetoric. It also has some fundamental assumptions that underpin contemporary people management practice, and the range of responses that firms adopt to reflect these assumptions. I have found that the most fruitful way to begin to engage students with these questions is to pose some elementary questions: first, ‘How do you get people to

do what you want them to do?'; and second, 'How do you get them to do *it* well?' This can be framed in an organisational context or more widely, but either way this often leads to a discussion of the fundamental problems of motivating, equipping and enabling people to act or perform in a particular way, and to the possible solutions that make up the component parts of HRM systems. In other words, it helps students to both appreciate and problematise the 'so what' question of studying HRM.

An alternative, or complementary, approach is to ask students to explore the 'people propositions' (a selection of which are included in this chapter) of their favourite brands, or those they are familiar with, and to unpick what the language is seeking to communicate about a) how they view people in the organisation and b) what, and to whom, they are seeking to communicate externally. Again, this can lead to useful discussions about the language used in employer branding as a starting point to explore how firms might either live up to or undermine their stated position through their actions.

3. Case study questions and answers

Running case study: The right man for the hard decisions? David Harrison joins the Marin Hotel

Questions

1. How might David reduce labour costs at the hotel?

The purpose of this scene-setting case is to introduce students to the trade-offs that inevitably form part of HR decision-making and the tensions that can arise between being a 'good employer' and business demands. David could, of course, seek to accede to Georgia's demands by simply cutting direct labour costs, that is, pay (including reducing opportunities for premium-paid overtime) and employee benefits, such as paid holidays. David could also look at reducing training costs. David might also consider reducing the costs associated with maintaining a largely permanent workforce, in favour of temporary or casual staff employed only when needed.

Importantly, this discussion can frame the discussion around best practice or high-performance HRM (in simple terms) and the extent to which labour costs can be considered

an investment, where it results in positive customer experience through skilled, satisfied and motivated workers.

2. How would your suggestions fit with the notions of 'hard' and 'soft' HRM?

Evidently, the Marin Hotel currently adopts a rudimentary form of soft HRM with higher-than-average pay, employee benefits, investments in employee development and progression, and the maintenance of a strong internal labour market through rewarding loyalty. Of course, if David decided to enact the policies that might lead to a reduction in labour costs, this would move the overarching approach at the Marin towards a harder and more instrumental HRM.

3. Do you foresee any problems with seeking to reduce labour costs in a highly competitive market in which the Marin Hotel is renowned for excellent service quality?

Within the discussion of hard and soft HRM students should begin considering the relationship between business strategy and HRM and the extent to which the latter supports the former. For the Marin, as a four-star hotel, students should consider the benefits to be had from its current HR mix and the pitfalls of cost-cutting at the high-quality end of a people-oriented industry. Students should consider the way in which staff would receive the decision to, for example, reduce training opportunities, in anticipation of exploring the psychological contract in Chapter 2. Students might also consider the complex relationship between HR practices and employee outcomes – such as satisfaction, motivation, turnover, skills shortages and absenteeism – and business outcomes, such as service quality and guest satisfaction.

BOX 1.3: Should people be treated as resources?

The purpose of this exercise is to promote an appreciation of the broad ethical concerns associated with people management from the outset of a study of HRM. It also provides an opportunity to highlight and perhaps challenge the rather managerialist attitudes that business and management students can sometimes take towards the issue of people management. The subsequent discussion can provide a means by which to introduce or reinforce several

important concepts and debates within HRM – for example, hard and soft HRM, unitarism and pluralism, stakeholder versus shareholder philosophies, control, power, etc. Whilst the discussion piece is relatively short, it can generate quite a debate among students. For these reasons, it can be a useful icebreaker for an opening workshop.

1. To what extent do you consider it to be the role of business enterprises to commit to the ethical treatment of workers beyond what is required by legislation?

This question often raises quite a debate among students. A starting point for a discussion might be the role of legislation regarding employment and in wider society, the notion that legislation in all walks of life represents a minimum of standards and that moral and ethical behaviour and the treatment of others, according to the wider ideas of natural justice, go beyond what is simply required by the law. This is despite the law being concerned with the enshrinement of natural justice and aimed at ‘equalising’ behaviour at an acceptable level. In other words, students can consider the extent to which behaviour might be considered lawful but equally be viewed as unethical (reflecting perhaps that the latter is highly fluid). In Chapter 5, the idea of moral relativism is introduced, and this concept might be introduced here if students raise the issue of the diversity of ethical standards, both between individuals and across ‘cultures’. A key issue for students to consider is what constitutes ethical treatment of the workforce: this can then lead into Q2 and a consideration of the business benefits which might emanate from this. Ideas that might be discussed include fairness, equity, reasonableness, transparency, consistency and so on. Students could then be asked to identify how these ideas might manifest in practice, for example, in employee recruitment.

A subsequent point to be considered is the potential tension between the needs of the business and those of workers, how these can be reconciled under HRM and the reasons why the research evidence continues to show the instrumental use of labour to meet organisational objectives, despite the apparent benefits of considering both sets of needs. The concepts of hard and soft HRM can be discussed here. The fundamental point of this question is to raise the issue of whose interests do, or should, organisations serve. This issue often polarises opinion among students, some of whom might adhere to a ‘shareholder’ ethos regarding

organisational purpose, whilst others might take a broader ‘stakeholder’ perspective where organisations should consider their wider impact. The compatibility of the profit motive and ethical activity might be raised here and students could be encouraged to consider real-life cases of organisational impropriety or ethical best practice. The final point in the piece might also be raised regarding the ethical implications of ‘best practice’ HRM and the management of organisational culture to shape employee behaviour.

2. How would you construct a ‘business case’ argument for ethical considerations in formulating HRM policies?

A discussion of this question might be framed within a wider debate about how organisations can or should be compelled to act in an ethical manner. This can lead to a discussion of employment regulation and the extent to which organisations should be left unhindered to pursue their objectives and whether they can be ‘trusted’ to arrive at ethical ways of behaving if unregulated. The association between the rise of HRM and the attendant business case for treating people in an ethical manner can be raised here. Students might identify a range of broad positive benefits of ethical treatment associated with organisational performance, reputation and ‘brand’ as well as particular HR benefits, including employee retention, recruitment, ‘employer of choice’ branding, commitment, loyalty, expression of discretionary behaviour, minimisation of conflict, cooperation and so on. It might be considered important to discuss why this business case is not considered or ignored and why alternative approaches to the management of labour might be desirable.

3. How could this business case be critiqued?

The key point to raise here is the extent to which the business case for the ethical treatment of workers, particularly without any underpinning acceptance of the social duty of an employer to do so, results in a long-term commitment to such standards. The business case can be critiqued in that it might result in only a short-term adherence to ethical standards which might be ‘abandoned’ if business benefits appear to no longer accrue to such an approach. Critique might also focus on the issue of moral relativism and a concern that if

business benefits are the only goal, then any behaviour which results in these benefits becomes acceptable. Finally, the point might be raised that organisations are social entities made up of many individuals with different ethical standards and a business rationale for ethical behaviour might be insufficient in providing appropriate guidance on what is right and wrong in how they conduct themselves in the workplace.

End of chapter case study: Challenging times at the Redfield and Clifton Building Society

Tutor's notes

The purpose of this case is to provide an opportunity for students to explore the relationships between external context, organisational strategy and HRM at what is likely to be a relatively early stage in their engagement with the subject of HRM. It also seeks to engage in case study analysis and to hone their skills in identifying pertinent issues, making connections and proposing organisational solutions. It has been written mindful of the fact that students will have yet to engage with the substantive practices associated with HRM, and with the specifics of these practices, but should elicit some discussion of how firms seek to address business problems with mechanisms for people management and how central people are to business performance. It can also provide a useful segue into some of the issues discussed in Chapter 2 such as worker control, motivation, performance and the psychological contract.

1. What are the specific challenges facing the R&C – both external and internal to the organisation – in respect of its management of people?

Externally, a principal challenge for the R&C is the difficult trading conditions under which the company is operating and the challenge of delivering products and services that provide long-term value for its customers. The organisational response has been an ambitious change process to allow for sustainable growth: improve customer service quality; improve efficiency and effectiveness of its business processes; and reduce the 'price' of its products. Both the economic and market conditions and organisational responses are presenting particular challenges to the company's stated mission to retain its reputation as a safe haven for customers' money (as well as stressing the importance of doing so) and maintaining its

relatively strong performance despite difficult trading conditions (including low levels of consumer confidence in the sector). Students may also identify the tighter regulatory environment as challenging, requiring firms to develop new ways of conducting business in order to meet new requirements.

The specific HRM challenge is presented by the acquisition of 150 branches from Big Bank and the need to retain the services of all employees from these branches. This challenge is compounded by the recruitment of 500 new members of staff to address customer dissatisfaction with customer service quality. The firm has restated the importance of ‘frontline’ staff – across a range of staff roles – to the branding of the firm and as exemplars of the firm’s core values of integrity, prudence, customer focus and constancy. Students need, therefore, to reflect on the need to absorb this new workforce into the firm and how best to develop in them an association with the values of the firm.

2. How do you think the firm needs employees to behave in their work and in their interactions with customers in order to make its current business strategy a success?

Here, students should clearly identify that the behaviour of a firm’s workforce says much about its corporate values (whether stated or otherwise) and, therefore, in order to be successful the R&C needs to seek to ensure that the behaviours, attitudes and competencies of its workforce reflect the core values of integrity, prudence, customer focus and constancy. Students can be encouraged to think about how such values can be translated into action within a customer service environment and the type of relationship that such a firm needs to develop between its employees and customers. Key themes likely to emerge are trust, value, ‘care’, dependability and consistency, and efficiency and effectiveness (quality) of advice/transactions. In other words, staff need to be the living embodiment of the firm’s slogan of ‘We care about your money’.

Some critique of the (attempted) inculcation of corporate values into a workforce (as the ‘willing slaves’ discussed in the chapter) might be appropriate here, as well as of the difficulties of ensuring employees ‘live the brand’. This might lead to a discussion that

touches on some of the issues discussed in the subsequent chapter on worker control, motivation and the psychological contract.

3. What problems might be presented by a large number of new staff, both those being transferred from Big Bank and new recruits, entering the business at a critical time for the business?

Here, students should identify that the influx of a high number of additional customer-facing staff into the firm over a relatively short period of time represents a significant risk to the firm in their ability and willingness to conduct themselves and perform in a manner consistent with the strategic objectives and mission of the firm. This might generate a discussion about the challenges associated with people as an organisational resource and the problems inherent in attempting to control and direct a workforce to behave and think in a way conducive to organisational success.

Students should be encouraged to think about the risks to customers presented by both new recruits to the firm who have actively pursued employment in the company and been through a competitive recruitment process and those transferring en masse from a competitor. Students might identify the former as a lesser risk as they have been ‘screened’ to ensure (as far as is possible) that they are a good ‘fit’ for the company. Alternatively, those transferring from Big Bank have not been through a competitive recruitment process and also bring with them attitudes and behaviours associated with their collective prior employment, as well as those associated with the transfer itself (e.g. resentment, ‘trauma’). Therefore, whilst both groups represent a risk and require training (see below), the latter does notably more so.

4. How do you think the key HRM activities of recruitment and selection, training and employee reward, might contribute to the success of the firm?

The purpose of this question is not to elicit specific ideas as to how staff should be managed, but rather to initiate a broad discussion of how firms can achieve organisational objectives through their workforce via the HRM practices at their disposal.

A starting point might, therefore, be to consider what would constitute success to the firm at both a strategic and operational level. At the level of employees, success might be defined as the restoration of customer trust through providing sound advice and high-quality customer service, the outward demonstration of core values in all employees' behaviours, the effective incorporation of Big Bank staff into R&C or adherence to new legislative standards. Students should then identify how each of these objectives might be achieved, such as effective processes of induction to instill core values, the provision of technical training in a firm's products and standards of customer service, as well as informal employee development to reinforce culture (e.g. using existing employees to coach Big Bank employees in the ways of the R&C), selective recruitment processes to ensure good organisation–person fit for new employees and mechanisms for communication and consultation to develop and instill collective values and culture. Students might also identify the importance of the means by which to check on the performance of individuals on an ongoing basis, for rewarding desirable behaviour and performance and for 'removing' employees not able or willing to adhere to the required behaviour and standards. In other words, students might well identify the importance of a range of core elements of HRM before they begin to study them!

4. Further resources

[Reading] The totalitarian dynamic behind HRM's democratic façade

[Citation] Abbott, K. (2015) The totalitarian dynamic behind HRM's democratic façade, *Asia Pacific Journal of Human Resources*, 53 (2): 204–20 (<https://doi.org/10.1111/1744-7941.12056>)

[Description] This article explores the assumption that HRM – where it is concerned with shaping employee behaviours and values consistent with those of a desired organisational culture – is associated with (workplace) democracy and suggests instead that it is more closely aligned with the social control associated with totalitarianism.

[Reading] Are humans resources?

[Citation] Inkson, K. (2008) Are humans resources? *Career Development International*, 13 (3): 270–9 (<https://doi.org/10.1108/13620430810870511>)

[Description] This short article provides a thought-provoking discussion of the issues associated with the use of the metaphor ‘human resources’ to refer to people at work and presents several alternatives to its use.

[Reading] From resource to human being: Towards person management

[Citation] Fortier, M. and Albert, M.-N. (2015) From resource to human being: Towards person management, *Sage Open*, 5 (3): 1–13.
(<https://doi.org/10.1177/2158244015604347>)

[Description] In keeping with the ethical perspective which finds the notion of ‘human resources’ problematic, this paper explores how a change from HRM to person management might prove a more sustainable model based on the realisation of mutual gains for both those persons who manage and those who are managed.

[Reading] The role of HRM in developing sustainable organisations: Contemporary challenges and contradictions

[Citation] Podgorodnichenko, N., Edgar, F., and McAndrew, I. (2020) The role of HRM in developing sustainable organisations: Contemporary challenges and contradictions, *Human Resource Management Review*, 30 (3)
(<https://doi.org/10.1016/j.hrmr.2019.04.001>)

[Description] This paper explores the role of HRM in enabling organisations to sustainably address the needs of multiple stakeholders. In doing so, it explores the key roles undertaken by the HRM function and the challenges that arise from the pursuit of a variety of organisational goals.

[Reading] Ethical Decision-Making: Eight Perspectives on Workplace Dilemmas

[Citation] Clark, S. (2015) *Ethical Decision-Making: Eight Perspectives on Workplace Dilemmas*, Research Report, London: CIPD.

[Description] This report presents a range of perspectives on the choices and ethical tensions faced by organisations in designing and implementing HR systems and practices and provides a number of lens by which HRM can be understood as impacting – positively or negatively – on people, business and wider society.

Chapter 2: HRM and the individual

1. Chapter overview and aims

- To outline the dimensions of the employment relationship.
- To define the concept of the ‘psychological contract’ and its relevance to HRM theory and practice.
- To provide a brief historical overview of people management theory and practice.
- To discuss the mechanisms that organisations can utilise to control their workforce.
- To outline determinants of individual performance in work organisations.
- To introduce motivational theory that underpins HRM practice.
- To introduce a conceptual framework to help understand how HRM can contribute to improved individual performance at work.

2. Teaching suggestions

This chapter introduces some fundamental concepts that are crucial to a critical understanding of HRM in practice, and how it seeks to control, coerce and motivate people at work. Many students at all levels will have experience of work and employment, and it can be useful to draw upon students’ reflections on this experience in discussing these concepts, before introducing them to the more theoretical constructs and models that explain these social and psychological processes in practice.

A key learning point in the chapter is that different individuals will respond differently to different inputs, and generate different outputs, mediated through HRM practices. I’ve often found the psychological contract to be a helpful focus for teaching, aiding an understanding of the complexities of HRM when viewed from an individual perspective. A useful exercise is to encourage students to reflect on the many ways in which both parties to the employment

relationship build up a set of expectations about the other even before the relationship formally begins. Again, they may well be able to draw on their own experiences, using the concept of the psychological contract to explain their own response to the actions of the employer. For undergraduate students who may be applying to go on work experience or placement (or have already undertaken work experience), this can be a helpful framing for this discussion. Guest's model of the PC is also an excellent means of introducing students to the importance of fairness, trust and delivering on commitments in maintaining a positive employment relationship.

The Bath People and Performance model explained towards the end of the chapter is a useful tool to help students unpack how different elements of the HRM mix impact on the individual and create (or not) the conditions for effective job performance.

3. Case study questions and answers

Running case study: 'He said, what'? Employee exit and the psychological contract at the Marin Hotel

Questions

1. Drawing in the concept of the psychological contract, how would you diagnose the retention problems at the Marin Hotel?

This case provides a brief insight into how cumulative breaches of the psychological contract can result in employee exit, starting with pre-employment promises made about autonomy that were never intended to be met. David's predecessor appears to have institutionalised, through irresponsible recruitment practices, employee discontent by saying 'anything to get people to take jobs' at the Marin. Whilst no more ethical for lower-skilled employees, from an organisational point of view this is particularly problematic in tight labour markets where skilled employees such as Anna have alternative opportunities for employment. Students might be asked to reflect on the extent to which intrinsic rewards such as autonomy, discretion and control, might trump extrinsic rewards such as high salary and the interplay of this balance of priorities with skilled work.

Students should be encouraged to identify the areas where Anna would feel that promises were being broken, as well as how the more general problems identified in prior exist interviews can undermine the critical early period of employment. They might then apply models of the psychological contract and principles of fairness, trust and delivery on promises.

2. What action would you advise David Harrison to take to address these problems?

Students might identify a range of responses to address the problems they've identified, including ensuring a realistic job preview during the recruitment process, ensuring consistency in the promises and claims made to prospective and new employees from multiple sources (including recruitment adverts, HR, recruiting managers etc.), and, for incumbent employees, ensuring the honouring of commitments to staff (and, where not possible, clear explanation is given for changed arrangements). Students might then be asked to explore how HR might seek to ensure the underpinning principles of ensuring a positive psychological contract are established. Students might go further than considering the hotel might seek to not only head off employment problems through a consideration of the psychological contract but also how positive outcomes, such as citizenship behaviour and engagement, can be promoted through its more effective management.

Feeling the heat at Solana Energy

Questions

1. Which form(s) of labour are both the CSRs and team leaders involved in at Solana?

CSRs are largely involved in mental labour (for instance, dealing with computer systems and technology, drawing on knowledge regarding products and claims, etc.). A key distinction, however, is the extent to which the two groups of workers are involved in emotional labour. Whilst any customer-facing role has some aspect of emotional labour, the sales team is likely to have to express a broad range of organisationally desirable emotions to engage, persuade, empathise and negotiate with customers to secure sales. This range is not so significant for CSRs in the claims department, although understanding and empathy might be required, particularly in appeasing angry or upset customers.

For team leaders again, the demands on both mental and emotional labour are different. Sales team leaders are predominantly required to ‘gee up’ their teams, to motivate and lead (partly based on charisma). This might be described as one dimension of emotional labour. Claims team leaders are involved primarily in handling difficult calls, complaints or unusual queries and in managing their team in a more conventional sense. Therefore, emotional labour is concerned with demonstrating empathy and understanding. In terms of mental labour, sales team leaders might be expected to possess a wide-ranging knowledge of company products but are not necessarily required to express this. On the other hand, superior knowledge is the principal currency in the work of claims team leaders.

2. What forms of control are evident at the Solana call centre?

To reinforce the learning from Chapter 2, this question can be approached according to the typologies of control provided by Friedman (1977) and Edwards (1979), as below:

Direct control – Direct control is most evident in the sales team where team leaders literally ‘look over the shoulder’ of their subordinates as they walk the floor. Given the nature of the work at the call centre, direct control of the workforce is largely mediated by technology, for example, through silent listening, call recording and monitoring, automatic call response, electronic monitoring and recording of calls handled and sales achieved.

Responsible autonomy – There is limited evidence of this form of control in the call centre which raises the issue of inherent Taylorism in call centre work. One implication of the way in which claims handlers work (particularly senior CSRs) is that they have relative autonomy to deal with claims and solve problems as they see fit without direct supervision of their team leader. However, the extent to which this represents responsible autonomy is debatable, particularly given alternative forms of control.

Technological control – Technological control is extensive at the call centre through silent listening, call recording and monitoring, automatic call response, electronic monitoring and recording of calls handled and sales achieved.

Bureaucratic control – The organisational structure of the call centre itself, its departments and teams is designed to differentiate between areas of activity and responsibility. This sectionalism is particularly apparent in the physical and administrative separation of the sales and claims workers. Within the sales department, demarcation between teams is designed to position each team in competition with others and control workers via this mechanism. Within the teams, particularly the claims handlers, the differentiation between grades clearly delineates areas of responsibility, power and spans of control.

In addition, **social control** is evident in the call centre, particularly in the sales team where explicit and implicit pressure is put on employees to ‘not let the team down’. It is also evident in the competition between teams in the sales department.

3. How might the findings from the employee attitude survey be interpreted?

The four findings from the employee attitude survey are as follows:

- **Low overall job satisfaction** – This might indicate problems inherent in this workplace or inherent in call centre work. In relation to the broader issues, students might be referred to Box 2.3 and the discussion of Taylor et al.’s (2002) research. These issues revolve around technological control and surveillance, the intensity of work, relatively low pay, and the repetition and boredom inherent in the labour process. Issues specific to Solana might include the rigid division of workers and consequent narrow job focus, the nature of incentive systems, pressures exerted by the structuring of teams and competition between teams and the management style in the sales team.
- **Higher job satisfaction among workers in the claims handling department** – This can be interpreted as indicating a general preference for the nature of work, management and, potentially, reward in the claims handling department. The work in this department is likely to be perceived as intrinsically more satisfying due to its problem-solving element and requirement for knowledge. It might also reflect the greater training offered to claims handlers and the differences in management style,

the less oppressive surveillance and supervision and the reduced pressure for rapid call handling. This finding needs to be discussed in light of the lower average pay in the claims department.

- **Large minority of employees in the sales department report high levels of job satisfaction** – Despite the previous points, this finding might be interpreted as indicating that a proportion of employees is particularly suited to sales work and, therefore, low average levels of job satisfaction might be resolved by addressing recruitment and selection at Solana to ensure ‘individual–job fit’. However, it is also clear that the majority is not satisfied with the work in the sales teams which will inevitably result in poor performance despite the extensive mechanisms of control.
- **Employee turnover was one-third higher among the sales team** – This reinforces the final point above that despite some evidence of high satisfaction among a proportion of sales workers, many are dissatisfied, subsequently quitting the organisation in greater numbers than in the claims department. The explanation here is likely to reflect the differences in the labour process and management between the departments and indicates that the firm should tackle both the recruitment *and* labour process issues in this area.

4. How would you describe the way in which each group of workers is motivated?

The principal form of motivation for the sales team is extrinsic, associated with both the performance-related payments to accrue from achieving individual quantitative sales targets and the team bonuses. This is not to say, however, that the work of the sales team cannot be intrinsically satisfying – a fact borne out by the employee attitude survey finding that a large minority of employees in the sales department report high levels of job satisfaction (although the high turnover would appear to suggest this is not the case for many). Motivation is also achieved through social mechanisms and the team ethos. In the claims department, the work itself would appear to be more intrinsically satisfying due to the higher levels of discretion and autonomy experienced by the workers. Extrinsic motivation is associated with financial reward based on qualitative dimensions of performance. Students might be asked to consider