

Chapter 10

Key HRM Challenges and Benefits: The Contributions of the HR Scaffolding

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ABSTRACT

Whilst HRM is responding to organizational challenges, HRM tutors have to deal with avoiding labour imposition (Mather et al., 2007) and ensuring that their students are well prepared for society. The chapter's findings involve linkages between people, HR systems and the workplace in an HR Scaffolding that is argued to contribute to resolving the challenges caused by 'the black box' of organizational performance (Becker & Huselid, 2006). Four steps of research extrapolate lessons to be learnt.

INTRODUCTION

Important issues require attention in our society, for example the recent banking scandal, potentially social disasters like Brexit, problems of immigration and ethnic diversification. At the organisational level HRM has been dealing with fundamental challenges, amongst which whether HR adds value to organizational processes, whether HR should be an agent or administrator of work practices, the alignment between work practices, HRM systems and functions (e.g. recruitment and selection, performance appraisals etc) and whether the teaching of the subject should focus on the functional aspects of what HR professionals do or whether a more critical exploration is required. Whatever the future may hold for the subject area, HRM is currently faced with the dilemma of how it can contribute to or enhance organizational performance. The ways such a challenge has been dealt with by tutors and scholars seem to create more confusion than the anticipated resolution of the challenges posed. The chapter identifies the nature of the challenges and what needs to be done. To help deal with the challenges the author has chosen to focus on research, i.e. especially on ways to recognise social/people resources that may provide the necessary help. It is anticipated such type of scholarship will help students to become persons in society who are able to change it for the better and from within.

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Key HRM Challenges and Benefits

Part of the challenges being faced by HR stems from the argument that HRM seems to be taught and practised as if it is comprised of and should be practised as a set of prescriptions (advice, decisions, imperatives). It is anticipated that when carried out these would boost Organizational Performance. Whether it does is still questionable. This deficit has provided a counter-argument which is to conduct research on performance. Over the decades the studies carried out have focused on intermediate variables to explain whether HRM practices do have an impact on performance. It is in this type of challenge that the author wishes to focus the current chapter to see what can be added to the 'black box' (Becker and Huselid, 2006) or gap between what HRM does (i.e. its practices, systems, functions) and organizational performance. Based on the research and the literature three categories could be found and these are referred to as theoretical, methodological and empirical. The debates in each of the categories are polarised and help to add to the confusion of whether what HRM does as a function improves an organization's performance. Under the theoretical challenge, Fleetwood and Hesketh (2005) lamented the 'under-theorised' nature of the area. The survey-based approach, short-term empirical work has also not succeeded in capturing the full breadth of the performance related issues as anticipated (see Wright, Gardner, Moynihan and Allen (2004); Huselid, 1995). The author uses empirical data from four organizations that he researched within a six year period in the UK to demonstrate how the linkages between people, HRM systems and the workplace can, in a small but important part, provide a solution to the extent to which HRM/working practices contribute to organizational but also employees' performance. The findings are used to provide lessons on what needs to be done to address the under-theorised, the methodological and empirical challenges HRM and HR tutors continue to face in the area of performance management.

The author explores the seminal works of leading scholars in the area such as Bowen and Ostroff (2004), Guest (2011), Goddard (2004), Lepak and Snell (1999) and Becker and Huselid (2006) amongst others to see what can be added to the 'black box'. The author categorises the theoretical framework within two major strands of discussion; the first labelled as 'content' and the second as 'process.' Their exploration has helped to identify aspects of the challenges to see what the chapter's proposed HR Scaffolding has to offer. Under content theories the author examines the HRM practices, policies and procedures which together could be seen as part of bundles of functional HRM (a set of advice or prescriptions). Under the process theories, the author explores the ways via which employees make sense of the actions of managers when they use the HRM systems and practices to bring about organizational performance. As the challenges are still ongoing, the chapter proposes research that provides a linkage between the various elements (people, HR systems and workplace) in what is referred to as an HR Scaffolding. From the empirical data, this concept shows what has been missing in the discussions; that is 'why' is it that people – i.e. employees as well managers might wish to perform well and thereby strengthen their organization's HRM/working practices, policies and procedures especially as they respond to challenges such as labour imposition (Mather et al, 2007) and the threats of the recent banking scandal. From the fieldwork, four research steps and the concept of The HRM Scaffolding are added to help explain and resolve challenges posed by the 'black box' of organizational performance and an extension of the works of Bowen and Ostroff (2004), Lepak and Snell (1999), Guest (2011) and Becker and Huselid (2006).

The author combines the HR challenges and proposes some benefits in the form of lessons as has hitherto not been attempted (see Goddard, 2004). To find out whether HR practices contribute to performance the author looked at what employees and managers did when their organizations were challenged to address performance issues under four pressurized environments. Such an exploration is timely and necessary.

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