

BMGT8003

Strategic Human Resource Management (SHRM)

Week **Wiki 3** – HRM Theories and Models

Teacher **Kaiako**: Maree Hawkins



Karakia Timatanga

Tū tawa mai i runga
Tū tawa mai i raro
Tū tawa mai i roto
Tū tawa mai i waho
Kia tau ai te mauri tū
te mauri ora ki te katoa
Haumi ē, hui ē, Tāiki e!

Come forth from above,
below, within, and from
the environment Vitality
and well being, for all
Strengthened in unity.



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Today's plan/ Whakamahere mo te rā

Part one (9.00am)

- Review and recap wiki 2
- Evolution of HRM

Break 10.30am

(15 minutes)

Part two (10.45am)

- Assessment one and Critical Analysis
- Case Study
- Homework



Learning Outcome 1- Assessment 1

- Critically analyse HRM theories, models and systems, and their evolution.

*In weeks **wiki** 2-3 we explore different HRM theories and models – we see how they have changed and evolved and we will also develop our critical analysis skills.*

Relevance to Assessment 1:

Criterion 2. Evolution of SHRM (30 marks) (Approx. 600 words)

Critically analyse how human resource management (HRM) has changed and developed (evolved) over the past 30-40 years. Ensure you refer to relevant HRM/SHRM theories and/or models to support your answer, and explain how these changes/developments have influenced or impacted on your chosen industry/organisation.



The Michigan Model

Michigan Matching Model of HRM

- Proposed that HRM systems and the organisation structure should be managed in a way that is aligned with organisation strategy

“The critical task is to align the formal structure and human resource systems so that they drive the strategic objectives of the organisation”

(Fombrun et al., 1984, p.37)

- The model is used to facilitate the achievement of the objectives of the organisation in terms of efficiency in productivity and profits.

Michigan continued

- Focus on performance - objective is to maximise this
- Sees employees as a resource to be used to get the job done
- Cost focused model
- Output driven: performance, productivity and profits
- Assumptions:
 - The most effective way to manage people will vary from organisation to organisation
 - Unitarism (i.e. working together for common goals)





The Harvard Model of HRM

Harvard Model (Beer et al., 1984) **BEST FIT APPROACH**

- Shows HRM as a set of broad strategic choices in response to the demands of organisational characteristics
- HRM policies can and should vary based on contextual factors and the business strategy
- Suggested three (3) characteristic features of HRM
 1. Align HR policies to strategy
 2. Employees are assets not costs
 3. Senior management (not HR) are responsible for HR policy decisions
- What is best: Depends!

“Human resource management involves all management decisions and actions that affect the nature of the relationship between the organisation and its employees - its human resources. General management make important decisions daily that affect this relationship”

(Beer et al., 1984, p. 1)

Harvard Model of HRM (Beer et al., 1984)

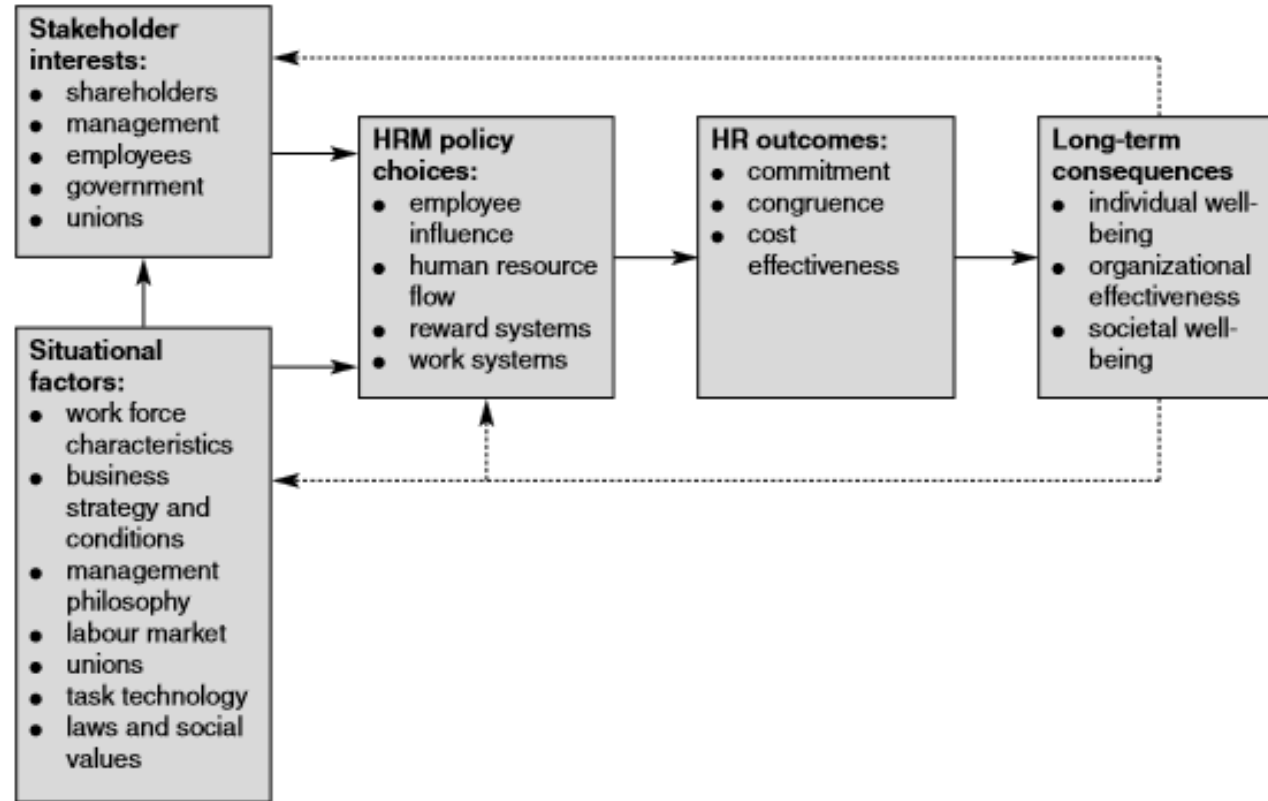
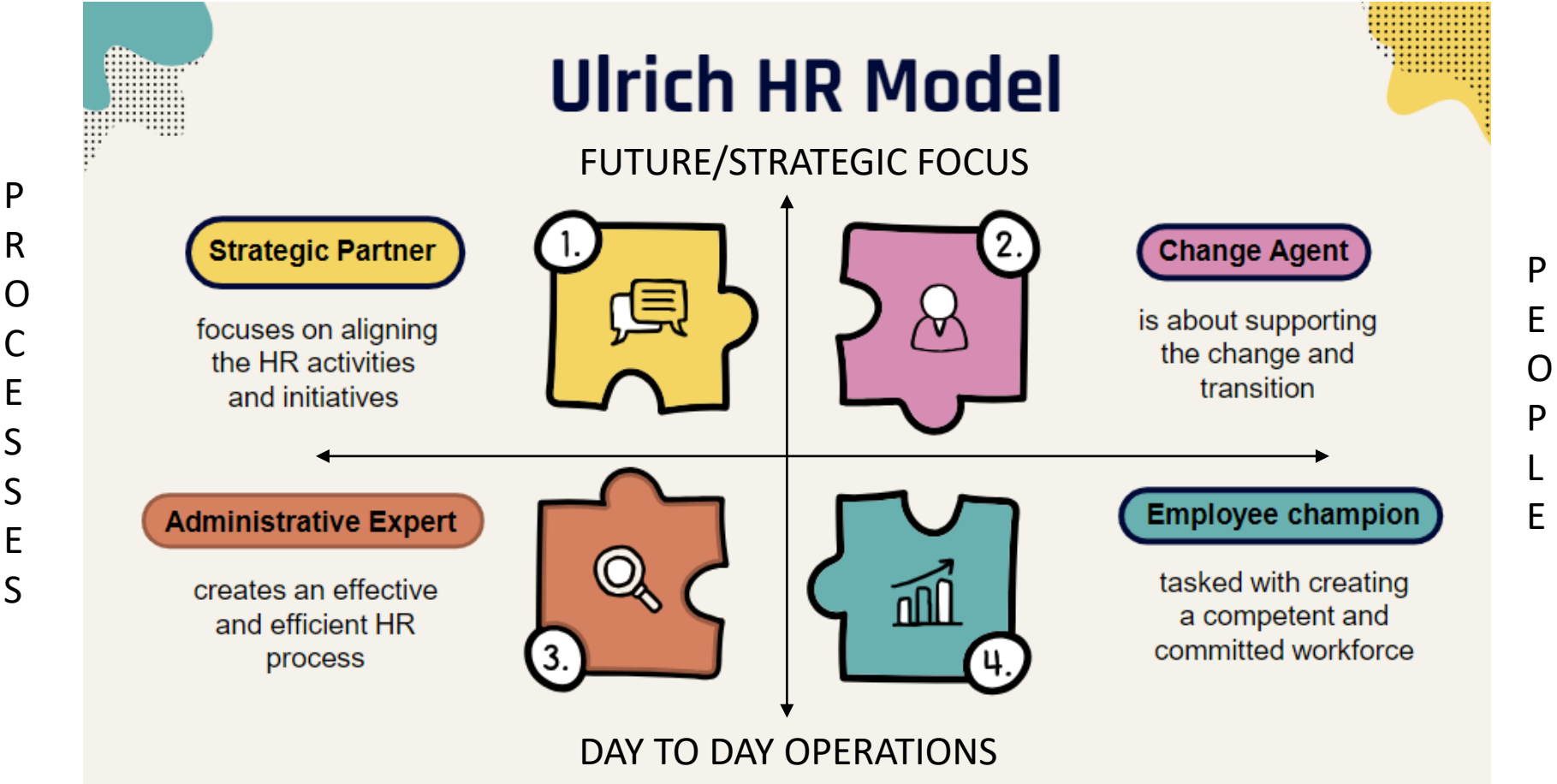


Figure 1.3 The Harvard Framework for Human Resource Management (Source: Beer et al, 1984)

Strategic Partner Model (Ulrich, 1996)

Ulrich Model (1996)



WHAT DOES IT MEAN TO BE A HR BUSINESS PARTNER TODAY?

with David Lewis



Now 10 dimensions of HR

“We believe that HR functional effectiveness is about creating value for all stakeholders. Through extensive research and practice, we have identified 10 dimensions to create value-based HR. By using these ideas, HR is not about HR, but about creating value.”

(Ulrich et al., 2022, para. 6)

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HR DIMENSIONS	QUESTION	RBL CONTRIBUTION
1: HR Reputation	<i>What is HR known for by stakeholders?</i>	Build the reputation from efficiency - innovation - practices - strategy - customer value
2: HR Customers	<i>Who are HR's customers?</i>	Create value for stakeholders inside (employee) and outside (customer, investor, community)
3: HR Purpose	<i>What is our HR Mission? Why do we exist?</i>	Define purpose/mission as who we are; what we do (human capability); why we do it (value creation)
4: HR Design	<i>How is the HR department organized?</i>	Match HR to business design; connect specialists (experts) to generalists with agility
5: Human Capability	<i>How does HR facilitate the right human capability for the business?</i>	Deliver talent, leadership, and organization to create stakeholder value
6: HR Analytics	<i>How can HR access information to make better decisions?</i>	Provide rigorous and relevant information to improve decision-making by offering guidance and not just benchmarking or best practices
7: HR Digital Technology	<i>How can we use technology/digital tools to manage outcomes?</i>	Use digital tools to be efficient, innovate, share information, and form relationships even across boundaries.
8: HR Practices	<i>How do we create and deploy HR practices?</i>	Innovate, align, and integrate HR practices (people, performance, information, work)
9: HR Professionals	<i>What do HR professionals need to be, know, and do to be effective?</i>	Upgrade the quality of HR professionals with competencies that have impact on stakeholder outcomes
10: HR Relationships	<i>How does HR go about doing its work?</i>	Form positive and collaborative relationships among HR and between HR and others

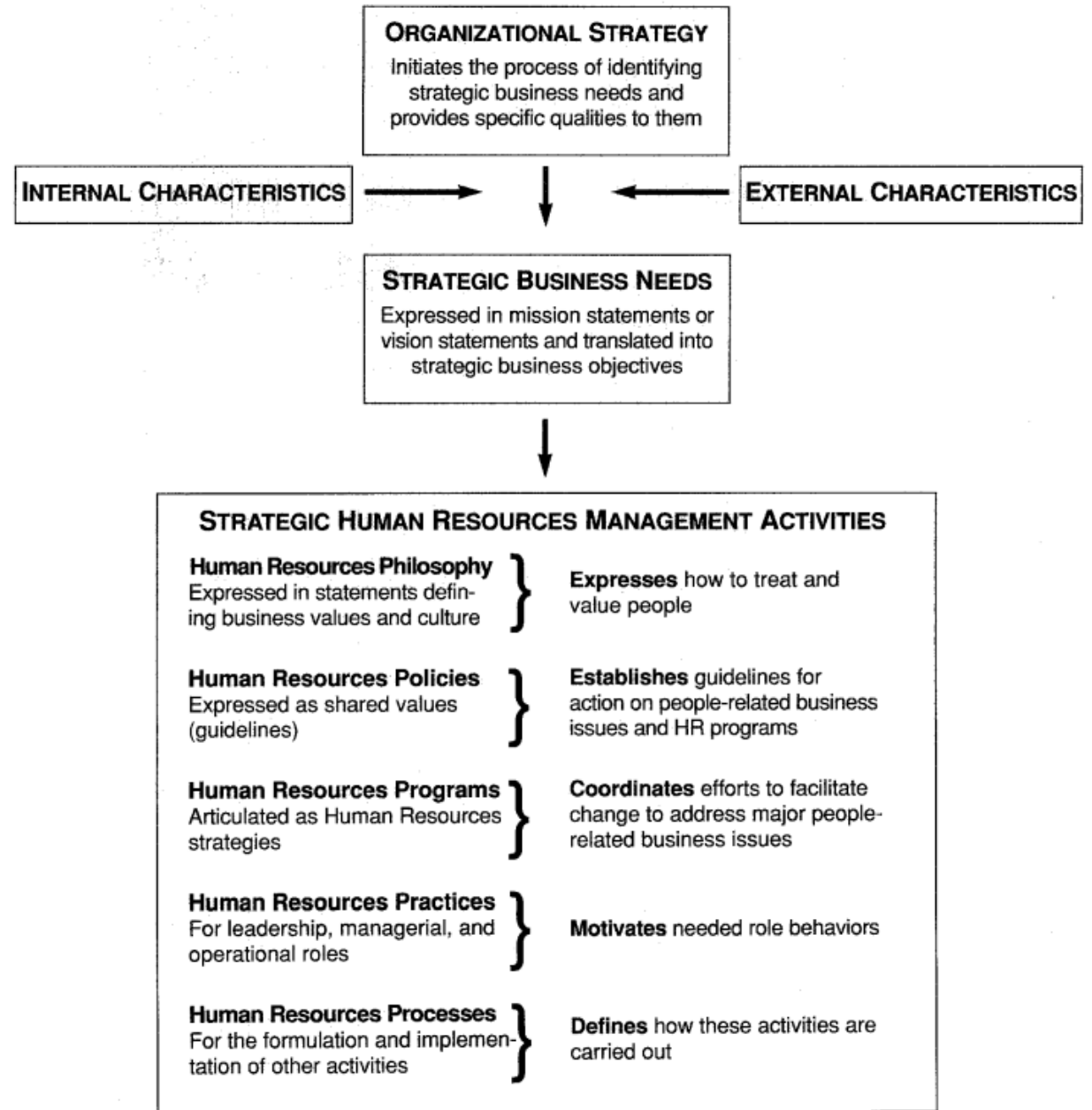


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5-P Model (Schuler, 1992)

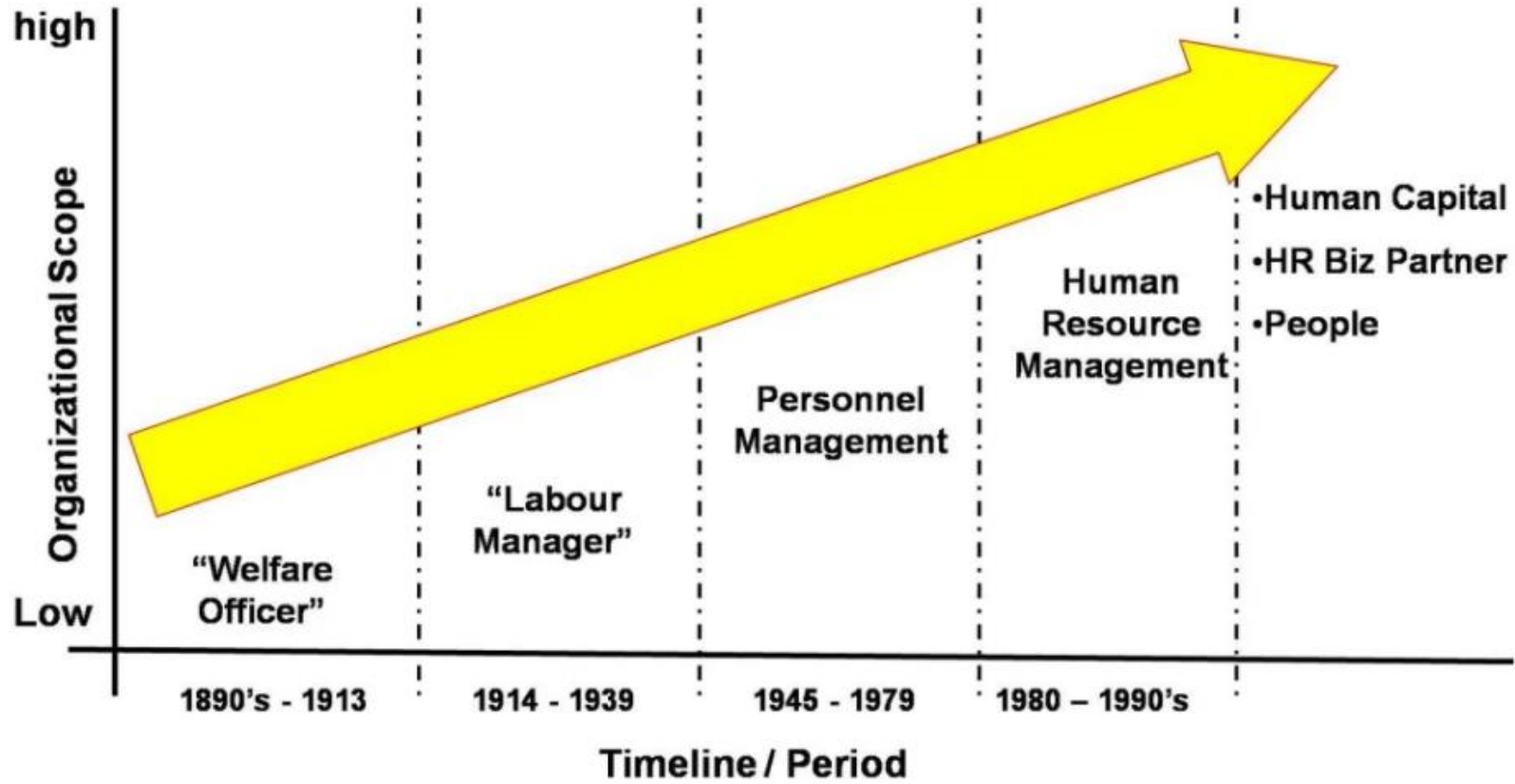
5-P Model (Schuler, 1992)

- Shows the interrelatedness of these HR activities
- Highlights just how significant the strategy-activity link can be



The Evolution of HRM

Evolution of HRM ...



books

Started here?



Evolution of HRM

• HRM (Traditional version)

- **Priority** = shareholder/management driven. Employees regarded as factors of production
- **Approach** = fads and flavours of the month
- **Employment relationship** = unitary perspective, legal employment contracts, compliance
- **Work** = work intensification, mechanistic
- **Analytics** = descriptive, annual engagement survey
- **Digital** = HR Information Systems
- **L & D** = Systematic training, Learning organisation, E-learning
- **Talent Mgmt** = buy in the best talent
- **Performance emphasis** = Financial
- **Rewards** = Individual performance pay
- **Performance Mgmt** = Results and pay focus, formal, annual event

(Armstrong & Taylor, 2023, p. 13)

• **People Management** (*organisations are the people in them... people make the place*)

- **Priority** = Multi-stakeholder with employees as key. Focus on employee wellbeing
- **Approach** = Evidence-based
- **Employment relationship** = pluralist – psychological contracts, inclusion, employee voice
- **Work** = Job quality, Flexible
- **Analytics** = Predictive, pulse surveys
- **Digital** = Web based apps, social media cloud technologies
- **L & D** = Workplace, experiential, social learning, Blended learning
- **Talent Mgmt** = Grow everyone's talent, inclusive approach
- **Performance emphasis** = Balanced scorecard
- **Rewards** = Total reward and recognition
- **Performance Mgmt** = Strengths based development focus, continuous dialogue and feedback

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Te Pūkenga

Assessment One

Learning Outcome 1- Assessment 1

Critically analyse HRM theories, models and systems, and their evolution.

Relevance to Assessment 1:

Criterion 2. Evolution of SHRM (25 marks) (Approx. 520 words)

Critically analyse how human resource management (HRM) has changed and developed (evolved) over the past 30-40 years. Ensure you refer to relevant HRM/SHRM theories and/or models to support your answer, and explain how these changes/developments have influenced or impacted on your chosen industry/organisation.

Criterion 3. Application of Theory (25 marks) (Approx. 520 words)

Critically analyse how Strategic Human Resource Management can be used to manage/address each of the two (2) strategic challenges identified in Criterion one.

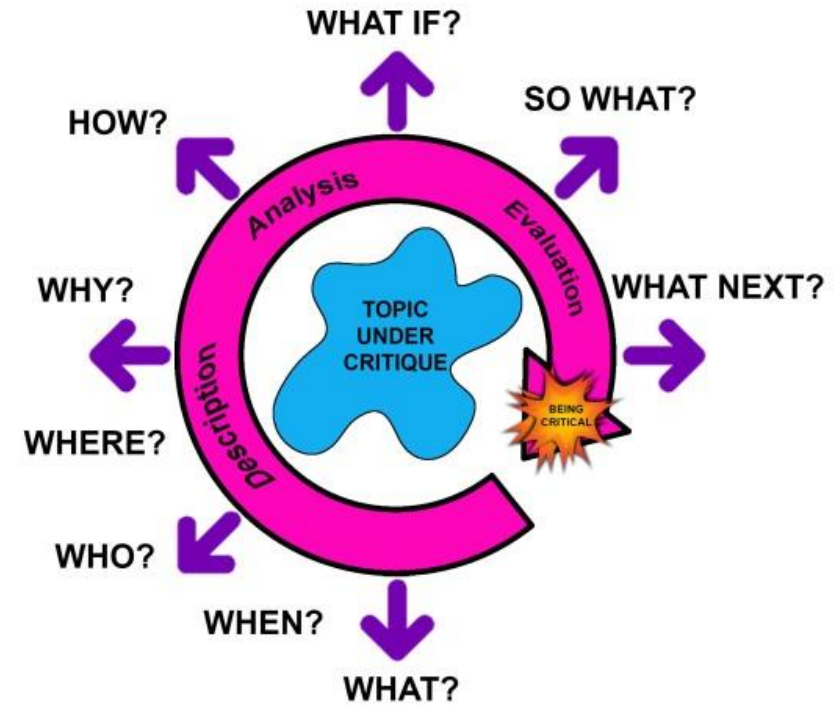
Criterion 4. Personal Reflection (20 marks) (Approx. 470 words)

Share your own personal experiences as an employee and or manager at a workplace (this workplace does not need to be in Aotearoa New Zealand) and using one (1) theory or model of HRM, **critically analyse** how your chosen theory/and or model can be or is used at that workplace.

What is a critical analysis?

“making fair, careful judgements about the good and bad qualities of the model or theory”

“Ultimate goal of critical analysis is to present a well-informed, well-reasoned argument.”



Critical Analysis requires

- **Reading widely** – Using credible sources
- Comparing and contrasting issues and perspectives to **challenge your own understandings** and to speculate and seek out implications.
- Distinguishing between **what is evidence and what is an argument.**
 - This involves questioning assumptions, recognising generalisations, and identifying bias in what you see, read and hear
- Providing **informed reasoning backed by evidence** and ideas from trustworthy academic resources such as books and peer-reviewed journal articles

Critical Analysis Assessment tips

- **First** - Learn about the model/theory so you can explain it (give yourself time to understand the new information!)
- **Second** identify the weaknesses or strengths
 - What are the strengths of this theory or model for understanding SHRM?
 - What new explanations/insights does it offer?
 - What contribution does it make to the understanding of SHRM?
 - What are the key limitations or gaps?
 - What research have you found that supports strengths/weaknesses
- **Third** explain what the implications of this theory or model are for practice? i.e. how will HR professionals use it? Have they used it? Did it work?
- **Fourth** – give your opinion and state if the model/theory is still relevant in your chosen industry? Justify why/ or why not with academic research.



A Critical Checklist- WEB SPUN

- **What?** Where? Why? When? How? who/ what if? What next? So what?
- **Evidence:** references, quotes, examples, data
- **Build argument:** use the evidence and data to support your argument
- **Situation:** effect on the outcome? Static or dynamic?
- **Practicality:** what are the limitations?
- **Universality:** does the theory/model apply generally or only in certain cases?
- **N – Links** to other findings. Do the theories/models support each other?



Case Study Analysis



Case Study Analysis

In groups of three or four analyse the Oryx Salt case study

Answer these questions:

1. Identify what you would do if you were the HR Manager in these organisations. **How** can strategic human resource management add value to the given organisation - be specific give examples
2. Choose **one (1)** HRM model/theory that you think would be most useful in analysing the case study
3. Use your chosen model/theory from Q2 to analyse the case study and explain (with examples) how the model/theory can help the organisation





Recap – Today's key points

Recap and Review

- HRM is constantly evolving and the new approach is being called “People Management” with people at the centre of forward thinking approaches
- Across different phases of development and industries organisations are engaged in the goal of achieving competitive advantage
- Improving the process of strategic management has everything to do with people
- Critical Analysis is a skill you need to develop to effectively complete your first assessment

References

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Karakia Whakamutunga

Kia whakairia te tapu,
Kia wātea ai te ara,
Kia tūruki whakataha ai,
Kia tūruki whakataha ai,
Haumi ē, hui ē, tāiki ē.

Restrictions are
moved aside,
So the pathway is clear,
To return to everyday
activities,
Join us together,
bind us together,
Let it be done.



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