Part I

Managing strategic human resourcing in a complex and uncertain organisational, social and economic context

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Introduction to Part I

Human beings, since the beginning of time, have needed to develop social practices that utilise the talents and abilities of the people living in any community or work enterprise to ensure the completion of work tasks which need to be done to enable that community or enterprise to survive. However modern or fashionable ‘Human Resource Management’ might sound, it is important to recognise that it is an activity that deals with some very fundamental human social, economic and political problems. This is why Chapter 1 of The Strategic Managing of Human Resources opens with a case study of human work activity in prehistoric times. The intention behind looking at these ancient people is one of making us stop short and question the standard assumption that the managing of human resources is a distinctly modern activity. Whatever language might have been used, all human communities have needed to shape the way they used the human talents available to them to maintain and develop their economic and working activities. And this insight is one that has encouraged all the authors of The Strategic Managing of Human Resources to reject any notion of people themselves as ‘human resources’ and, instead, to identify human resources as the capabilities and the potential that people bring to work situations – capabilities that are strategically necessary for the continuation of the work enterprises in which those resources are deployed.

Having recognised that we are dealing with a rather fundamental aspect of work management when we look at human resourcing, and not just at a specialist and technical branch of contemporary managerial work, the issues raised by the activities of the ancient tribes people are shown throughout the book to be ones that arise, in a variety of different respects, in twenty-first century work organisations and societies. In the first chapter we see the dilemmas being faced by the owners and managers of a food manufacturing company, for example. This case study is taken up and extended at various points throughout the text. It establishes very clearly that we cannot understand strategic human resourcing – human resourcing work, that is, which both helps shape the work enterprise and contributes to its long-term survival – without paying close attention to the interests and priorities of the managers and business people who are in charge of such activities. Strategic human resourcing is something done by human beings, who are in no way free to manage in any way they like but who, at the same time, have certain key choices they can make about how to deal with human resourcing matters. We therefore see, in the chapters in the first part of the book, ‘real’ managers making choices of strategic direction – albeit choices constrained by the circumstances in which they operate. The theorising which is presented in these chapters is not there for any kind of ritualistic academic reason. It is included to help us all come to terms with just how this mix of choice, on the one hand,
and contextual or ‘structural’ constraints and opportunities, on the other hand, interrelate. And the analytical style, established in the first chapter and continued thereafter, is one which sees strategic directions as very much emergent matters, rather than as the outcomes of wholly rationally pre-planned decisions. Strategic directions involve managers sometimes leaning towards high commitment HR policies and practices and sometimes towards low commitment HR strategies. And whichever the managers in any particular organisation tend to lean towards, there is always interplay of managerial choice and preference, on the one hand, and contextual factors on the other.

Chapter 1, ‘Organisations, strategies and human resourcing’, establishes that the market-based and bureaucratised type of society and political economy within which strategic human resourcing occurs in the contemporary world is a fundamental contextual factor to which all managerial choices inevitably relate. Thus, the economics and the politics of particular societies and the globalising pressures within which these operate are shown to be crucially relevant to managerial human resourcing activities – these activities being shaped by employment patterns emerging across the world and, at the same time, helping to shape them. And one of the reasons these human resourcing activities take the emergent strategic form that they do (as opposed to taking the form of big, pre-shaped, corporate plans) is that they have to cope with a context which is inherently uncertain. This notion of uncertainty is central to Chapter 2, ‘Managing uncertainty or managing uncertainly?’. The uncertainty of the world in which managerial choices are made is shown in this chapter to be the key to understanding the variety of flexible work practices and policies that play such an important part in the shaping of contemporary human resourcing strategies. Uncertainty has always been part of the human condition, even if the uncertainties facing human resource strategymakers seem to be especially acute in a world of global change and intensifying competitive pressures. Human beings have, throughout history, created a variety of social institutions to help make manageable the potentially crippling uncertainties of human social life and, indeed, the potentially crippling conflicts of interest and value that arise as different individuals and groups pursue their various purposes.

Chapter 3, ‘Employment law and human resourcing strategies’, focuses on one particular institution that plays such a role in human society: the law. This chapter takes us back to ancient times again to point up the deep human significance of human legal arrangements generally. And it goes on to apply this insight to developments in more recent times and to show how the regulative function of legal institutions both assists and constrains the effective managing of human resourcing issues. It is shown, too, to be a significant factor influencing the relationships between specialist human resource managers and other managers. Employment law is further shown to connect with matters of human rights. And this gives a connection to the concerns of Chapter 4, ‘Ethics and strategic human resourcing’. It is shown here that ethical matters are at the heart of strategic human resourcing. They cannot be seen as an optional extra, or an indulgence of managers with particularly highly developed consciences. Applying several of the different criteria and ‘ethical theories’ discussed in this chapter, all of the people affected by an organisation’s human resourcing strategies will make their own moral evaluations of the way they are treated. And they will be influenced in their actions and
behaviour by the extent to which they perceive themselves to be treated ethically and fairly by that organisation and its managers. Those actions and behaviours inevitably make a significant difference to how well the organisation as a whole performs: how well, in effect, its strategic human resourcing work succeeds in taking the organisation forward into the future.
Organisations, strategies and human resourcing

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Learning outcomes
Having read this chapter and completed its associated activities, readers should be able to:

- Appreciate that issues of human resourcing, when taken back to basic principles, arise whenever human beings organise themselves, or are organised, to complete work tasks
- Understand why human resources are more usefully understood not as human beings themselves but as capacities that human beings bring to work situations, noting how such an insight relates to contemporary ‘resource-based’ thinking in strategic management generally
- Recognise that human resource issues in modern times can only be understood in the light of the nature of the societies and the economies in which they arise, as well as in the light of more general tendencies of human beings to resist being directed and to form coalitions of interest
- Analyse the strategies of organisations as patterns which emerge over time rather than as corporate plans
- Come to terms with the responsibility of organisational strategic human resourcing for shaping the human dimension of the organisation as a whole and for taking it forward into the future
- See why it can be argued that human resourcing is as much an influence on broad corporate strategy as something that follows from or serves it
- Understand why human resourcing work can be seen as ‘essentially strategic’ and why the responsibilities of HR specialists differ in certain respects from those of more functionally or departmentally focused managers
- Point to the fundamental strategic options that face HR strategy-makers – especially the choice between high commitment HR strategies and low commitment HR strategies
- Identify the variety of factors that influence the strategic direction followed in any particular organisation, noting the interplay of human choices and constraining and enabling circumstances in this
- Analyse the human resourcing practices of any organisation to assess the extent to which they are consistent with each other and are appropriate for the general environmental or business circumstances of the organisation
The nature of human resources

We tend to speak of human resource management as if it were something fairly new. It is spoken and written about as if it were the invention of late twentieth-century managers and of the academic experts who study such people. This is true. But it is only true in part. To appreciate this point we can helpfully imagine a prehistoric family group sitting around a fire talking about how they can make a better living in the small valley in which they have settled after giving up a nomadic way of life. Let us travel back in time and listen carefully to what is being said by the members of the Aynshent family.

Case Study 1.1a

Meet the Aynshents

One evening a conversation develops among the Aynshents, a prehistoric family group, with one of the women explaining that she had found a way of growing a much bigger crop of maize by preparing the ground more carefully. To increase this yield further, however, she needs more hands to work the land. Some babies were on the way in the little tribe, but they would not be able to work for some years. Perhaps the family should capture one or two of the travellers who passed this way now and again, and force them to work for the family. The speaker would be willing, she said, to organise and lead such an expedition. Or alternatively, one of the brothers who had recently proved to be a rather hopeless hunter could develop some farming skills and stop wasting his time pursuing animals that nearly always got away from him. Also, the eldest brother was hoping to get a strong young woman from across the other side of the valley to become his mate, and join the family group. If this happened, there would be another pair of hands available for work and there would be the potential for more babies to be born.

Further to this, an alliance with this woman’s family would probably make available to the group some of the witch-doctoring expertise which was helping the people across the valley to get ahead of others in locating herds of prey. Further, it seemed that the young woman had a detailed knowledge of where to find wild crops of nuts and fruit that could be gathered. And an alliance with her family might also help the little tribe to fight off the intruders who had recently been appearing in the valley and who were competing for the scarce spring water supplies in the valley. The potential bride was already well known to her prospective mate’s family and they both liked and trusted her, as she did them. The general view was that her joining the family would not only bring into it a further pair of hands together with valuable knowledge, skills and mothering ‘potential’ but that the general positive and cooperative atmosphere of the family group would be enhanced by her presence.
The first and most obvious ‘human resource’ that is mentioned in the conversation among the Aynshents is that of ‘pairs of hands’. A member of the family has recognised the need for some fairly simple labour to be carried out – under her direct supervision, we might assume. Skill at hunting is a further resource that comes into the conversation, as are the notions of knowledge (of the location of wild crops), expertise (at witch doctoring) and organisational leadership (of a kidnapping expedition). In addition to the fairly obvious biological capacity of the women in the group to bear children and thus help reproduce the family, there are some more abstract human capacities alluded to. Among these is the capability of one of the brothers to make alliances with other groups in the valley and the capacity of his potential bride to bring into the group certain personal qualities that, it was felt, would enhance the cooperative spirit of the family. In the background here were even more abstract factors that have clear implications for how these ‘resources’ might be utilised: there is talk of the family and its prospective new member liking each other and, perhaps especially significant, trusting each other.

The Aynshents are a family, developing into a tribe, and are really quite different from a modern business or public corporation – settings where we would more likely expect to see human resourcing practices occurring. Yet the Aynshents can be seen as involved in a joint undertaking in which work tasks are undertaken both to ensure the survival of that enterprise and to enhance its economic performance to the benefit of certain of the people involved in it (note that there is the possibility of the family taking slaves; people who are not necessarily going to feel that they benefit from being brought into the tribe). Within this, we can see significant parallels between what was occurring around the campfire and what might occur in a modern work organisation. The conversation could be seen as involving analysis of managerial options with regard to human resources. Managerial decisions are being contemplated in the areas of recruitment (by slave-taking or marriage), retraining (the unsuccessful hunter to become a farmer), and strategic alliances (with the potential bride’s family). As well as noting the opportunities open to the family, attention is given to the threat coming from competitors for water supplies. And, at the more general level, there is reflection in the group on what might be seen as the ‘corporate culture’ of the little tribe; the atmosphere of trust and cooperation that is felt to be conducive to the successful utilisation of the human resources that are the main topic of discussion.

Why has it been thought important to make this journey back in time and look at a pre-industrial case study in strategic human resourcing? One purpose was to make as forcefully as possible the point that ‘strategic human resourcing’ is not some new, or even recent, managerial or academic ‘fad’ or some novel and groundbreaking invention that is peculiar to modern circumstances. It is a
profoundly commonsensical notion that would be sensibly taken up by people in charge of any human enterprise in which work tasks are undertaken and where there is a concern for that enterprise to continue into the future as a viable social and economic unit. The concept is as relevant to an ancient tribe, a commercial business, a football club, a government department or a university.

The application of an anthropological perspective to the topic of strategic human resourcing, rather than the more normal management studies or economics one, has purposes beyond this simple demystifying of human resourcing practices. It also helps us, by taking us back to basic principles, to conceptualise the issues with which we are concerned in a way that will most usefully inform our activities with regard to human resourcing matters – whether those activities are managerial ones concerned with enhancing practices or are research ones concerned with the advancing of knowledge. In other words, it can help us to define our terms in a way that will most successfully assist us in analysing and understanding the managerial processes with which we are concerned.

The key conceptual point that our Aynshents case helps us make is that it is better to focus on ‘human resources’ as human predispositions and capacities, such as skill, knowledge, commitment and a general predisposition of people to work cooperatively together, rather than to think of people themselves as ‘resources’. To think of people as human resources, like the notion of ‘managing people’, can be seen as ethically suspect. To treat people as means to ends rather than as ends in themselves is to defy what Kant identified as an ethical categorical imperative, for instance. It is also unrealistic, given the human tendency, to which we will return shortly, to resent and resist attempts at control and manipulation by others (Watson, 2006). Human resources, in the context of modern work organisations, are thus most usefully seen as human capacities necessary for task performance and the continuation of the organisation into the future:

Human resources are the efforts, knowledge, capabilities and committed behaviours which people contribute to a work organisation as part of an employment exchange (or more temporary contractual arrangement) and which are managerially utilised to carry out work tasks and enable the organisation to continue in existence.

Situating HRM in its historical and political-economic context

Work organisations, of the type we tend to take for granted, have developed only in the most recent period of human history. Like the family-based enterprise of the Aynshents, they use human resources to fulfil the purposes of their members (or, given the inequalities that have characterised human societies down the ages, to serve the purposes of some of their members). But they do this in a way which is characteristic of the industrial capitalist type of society and political economy which has emerged in the past few centuries. Modern work organisations make use of human resources in a context which is:

- Market-based. The relationship between the organisation and those supplying it with the human resources such as labour, skill and knowledge is fundamentally one of economic exchange. Resources are acquired in a context of labour markets with workers and organisational officials making bargains with workers
who contract to work and behave in certain ways in exchange for various rewards or ‘incentives’. On top of this basic economic exchange is a degree of social exchange whereby workers – to greatly varying levels across different circumstances – may seek such rewards as a sense of belonging, a feeling of security, or the opportunity to achieve status or power in return for giving to the organisation and its managerial officers a degree of loyalty or commitment.

- Bureaucratised. Modern work organisations are bureaucracies in the sense identified by Weber (1978). People are given a part to play in the division of labour of the organisation, not as in more ‘traditional’ times (as with the Aynshents) as a result of their birth or their possession of magical powers, but because they are deemed to be technically qualified for their posts. And work tasks are controlled and coordinated by office holders (typically these days called ‘managers’) whose authority derives from their expertise and who devise rules and procedures that are calculated to ensure that the most appropriate means are chosen to fulfil specific ends.

Human resources, in the modern industrial capitalist context, become qualities which are traded and bargained over in a very calculative manner. And given that organisations – especially business organisations – in the market context of the industrial capitalist economy compete with each other in order to survive, human resources become matters of considerable competitive significance. Kay (1993) locates them among an organisation’s distinctive capabilities (the starting point, he argues, for the strategic analysis of any organisation) and Hamel and Prahalad (1994) identify the skills and knowledge of an organisation’s staff as the core competencies that potentially give it advantages over other organisations. The contemporary emphasis on ‘talent management’ is a further development of this theme (Ashton and Morton, 2005; Tansley et al., 2007).

This style of thinking of the strategic advantages of certain internal organisational qualities and capacities came increasingly to the fore as global competitive pressures grew in the latter decades of the twentieth century and has led to increasing use in the academic literature of what is called a resource-based view (RBV) of the firm. It was seen as necessary to balance attention to the external competitive strategies of firms with attention to the internal characteristics that made some outperform others. Barney (1991) emphasised the importance of firms exploiting their ‘internal strengths’ in human and non-human resources, ensuring that these resources stayed rare, unimitable and non-substitutable and would ‘make a difference’ in the sense of ‘adding value’ to business activities. In what we are identifying here as the ‘human resourcing’ area, Barney (1992) stressed that such a resource-based perspective can help us appreciate such socially complex resources as creativity, trust and a capacity to make both effective choices and changes in behaviour. Boxall (1996), who has concentrated on the application of resource-based thinking to human resource management, emphasises that an advantage in terms of the human capital (the skills, knowledge and capabilities) that reside in an organisation’s staff only become effective once they are released, once there is what he calls a ‘human process advantage’.

Strategic human resourcing is thus about much more than acquiring and retaining human capabilities but has to involve itself in such matters as trust-building and the seeking of what, in our definition earlier, were referred to as ‘committed behaviours’, forms of action where workers are choosing to act within
a conception of what is appropriate for the wider organisation and not just for short-term or sectional gain. However, in spite of providing the above insights and in spite of its having become ‘almost the assumed paradigm within strategic management research’ (Allen and Wright, 2007: 90), there are difficulties with the RBV approach, as there are with its variants, such as the ‘human capital’ (Hitt et al., 2001) and ‘dynamic capabilities’ (Teece et al., 1997) approaches.

First, care has to be taken to recognise that work organisations are not free-standing entities competing with each other on a globally ‘even playing field’. Different societies, with different cultures, educational and technological infrastructures, give a greater or a lesser degree of support in these broad resource areas to the organisations operating within them (Boxall and Purcell, 2002). And we can add to this the importance of class, gender and ethnic inequalities in any society as factors limiting or encouraging the development of high commitment and high trust relations as corporate human resources (Watson, 2004).

Second, we have to avoid the danger that RBV thinking leads us to talk too much about work organisations as if they were all capitalist firms engaged in the pursuit of ‘competitive advantage’ with other firms. It is undoubtedly the case that all work organisations in the industrial capitalist world have to cope with competitive pressures. Schools, hospitals, local authorities, police forces all have to compete with other organisations in the labour market for staff, for example. And they all, to some extent, compete with each other for state funding. But it is ludicrous to imply that when the managers of, say, a fire service, a university or a general medical practice concern themselves with developing their human resource capacity this is primarily to do with gaining competitive advantage over other fire-fighting provisions, higher education institutions or local health centres. This is something we will bear in mind when, later, we come to our own definition of ‘strategy’.

The third issue which can be raised with regard to RBV thinking is that of whether it can help us very much in trying to understand better what actually happens when strategies are made in work organisations. There is, for example, very little information about who the practitioners are that actually shape human resourcing strategies or how those practitioners go about ‘strategy-making’.

Valuable theoretical work is now emerging which sets a framework within which research might be done on what goes inside the strategy ‘black box’. We thus have an emerging ‘strategy as practice’ perspective (Johnson et al., 2003; Jarzabkowski, 2005). This is ‘essentially concerned with strategy as activity in organizations, typically the interaction of people . . . the practical performance of the people who engage in [these activities so that] two surprisingly neglected questions [can be answered]; what do the people engaged in strategizing actually do and how do they influence strategic outcomes?’ (Johnson et al., 2007). This interest is one taken up in the present chapter where we will see some particular practitioners of strategic HRM in action. We are partly applying a strategy-as-practice perspective here by looking at, in Jarzabkowski’s words, ‘how practitioners act, what work they do, with whom they interact, and what practical reasoning they apply in their own localized experience of strategy’ (2005: 9). However, the perspective adopted here, whilst incorporating the strategy-as-practice emphasis, is a wider one. Whereas ‘strategy-as-practice’ tends to characterise itself as a ‘micro’ and an activity-based (my emphasis) approach, the present one sets its relatively ‘local’ or microscopic concerns within a ‘macro’ structural and ‘global’
framework. It also relates its concerns to certain characteristics of the human species as whole – and specifically to the ‘unmanageability’ of human beings.

**Human resources, people and work organisations**

**The impossibility of ‘managing people’**

In emphasising the importance to organisations of the human capabilities or resources that they draw upon as their managers strive either to compete with commercial rivals or to provide a public service that will be deemed worthy of continuing support by its users (and, critically, on their behalf, by the state), it is important not to separate people’s work capacities from their humanity. Whether we are thinking ethically or expediently about people and work, it is necessary to recognise that the organisational worker – at whatever level they are engaged by the enterprise – is much more than a bundle of capabilities and that they have lives and priorities beyond their organisational involvement. People’s identities and purposes are not influenced by their employment alone. And it is in the nature of the human beast, we might say, to assert a degree of independence in their relationships with other people, and with ‘bosses’ especially – although, strictly speaking, as Foucault (1980) points out, we read such ideas into our ‘subjectivities’ in the light of the discourses of our historical period (see Townley, 1994a on the particular relevance of this point to human resource management). This assertive aspect of human subjectivity tends to come into play regardless of how dependent people might be on these others and however much power or authority those others may possess. Thus, we might say, the managing of human resources is essentially problematic. Many managers would undoubtedly like to be able directly to ‘manage people’ and thus straightforwardly exploit the ‘resources’ which those people bring to the organisation. It would make life easier for managers if the workforce could be tended like a herd of cattle which, with careful husbandry, produces a regular supply of milk, butter and meat. The human animal, however, is fundamentally different from all others (Watson, 2001). ‘Managing people’ is an impossibility.

Human resources are essentially problematic because they are supplied by human beings. In spite of what is implied in many of the texts which regale management students with simplistic ‘motivation theories’ and personality inventories, people are not little biological machines having fixed personalities, given sets of ‘needs’ and a straightforward willingness to ‘be managed’ if their lower- and higher-level ‘needs’ are met, or their personality profiles matched to job demands (Watson, 2006). People are assertive, adaptable social beings with emergent identities who, with varying degrees of ‘power’, negotiate their roles and rewards with the employing organisation. When they go to work they are as much setting out to ‘use’ the organisation for their own ends as the organisation is concerned to ‘use’ them. People in modern societies, brought up to value notions of democracy and human rights, are especially likely to question the right of organisational officers to direct their activities, beyond certain tightly defined and agreed limits. But such characteristics have been part of the human experience since the species developed a brain large enough to use language and ask the question ‘Why should I?’
In this second episode of the Ayshents’ story, we see a fairly simple example of a human being refusing to separate their notions of self-identity and personal autonomy from their role as a ‘supplier’ of human resources. Reflection on personal experience is likely to indicate that this may be a bolder example of the normal human recalcitrance that we see every day. But it touches on something

Case Study 1.1b  
An Aynshent dispute

The day after the conversation around the Aynshents’ camp fire about changing how the family made its living, the sister who initiated the discussion approached the brother whose hunting skills had been questioned the night before. As soon as the man saw his sister approaching him, he turned his back on her. She immediately assumed that she had hurt his feelings with what she had said about his being better suited to farming than hunting. But once she eventually persuaded him to talk to her, she realised that it went deeper than this. In general he questioned the right of any family member to judge his abilities and, in particular, he claimed that her being his elder sister gave her no special position in the group. She responded to the effect that she was simply trying to find ways of making a better life for everyone in the tribe, by finding ways of ensuring that people’s efforts were expended to best and most productive effect. The man listened carefully to this but then challenged his sister as to why he should be thought of primarily as a hunter who brought in meat or a farmer who grew crops. Why could he not simply be respected for himself? Well he was, she insisted. If that was so, he asked, could he not be allowed to spend his time doing what he loved best: studying the clouds and contemplating how the gods might be persuaded to look favourably on the tribe. This, his sister says, is impossible. Other family members simply would not accept that they should work to keep a man who was unwilling to work himself. At this, her brother stormed out of the cave, kicking up dust in his sister’s face as he departed. He headed off to find other family members who he thought might agree with him that certain shifts in power in the group should be resisted.

Activity 1.2  Handling human recalcitrance and resistance to management

1. Consider the extent to which the type of ‘resistance to being managed’ we see occurring here is a characteristic of an especially awkward character within the Aynshent family or is something that every human being has within them to some extent.

2. Think about any ways in which you have personally experienced this kind of human ‘recalcitrance’ in an organisational setting, either on your own behalf or in someone whose work patterns you were trying to influence.

3. Reflect on possible parallels between what the Aynshent sister is doing here and the work of a modern human resource manager and consider what, if you were her, you might do next.

In this second episode of the Ayshents’ story, we see a fairly simple example of a human being refusing to separate their notions of self-identity and personal autonomy from their role as a ‘supplier’ of human resources. Reflection on personal experience is likely to indicate that this may be a bolder example of the normal human recalcitrance that we see every day. But it touches on something
that is in every one of us. It would appear that even within slave systems, conscript armies or concentration camps, people fight to maintain a degree of human autonomy and self-respect, however great the power exerted over them.

There is little difficulty in seeing that the Aynshent sister is taking upon herself a role of changing how her family makes its living and is, in effect, utilising the human resources available to it. In doing this, she has quickly confronted the fact that the suppliers of human resources have feelings, feelings that can be hurt if they are slighted in some way. But the humanness of resource suppliers is more than just a matter of people having emotions. As we have already recognised, power of one human being over another is not automatically accepted. It has to be won – to be converted or, as Weber (1978) puts it, *legitimised* to make it into ‘authority’. The Aynshent woman tries to do this in two ways. First, she justifies what she is doing by arguing that she is trying to benefit the tribe as a whole (making a better life for everyone in the tribe) and, later, she opposes his stated preferences by saying what would be acceptable to other family members. The first move is very similar to everyday modern managerial tactics where an HR manager might, for example, argue that they are redeploying a worker into a new job, not because the manager personally wants this, but ‘for the sake of the business’. And the second move parallels classic HR managerial arguments about ‘fairness’ and ‘comparable treatment’ across the organisation when asking other organisational members, managers included, to ‘stay in line’ (Watson, 1977, 1986).

What might we envisage the Aynshent proto-HR manager doing next? It is unlikely that she has the authority simply to command her brother to retrain. One move she might make, however, would be to negotiate with him – and indeed with other family members – a role in which he combines some new farming responsibilities with certain priestly duties that allow him to draw out his currently hidden religious skills at the same time as taking his share of the basic labour of producing food. Even the modern HR manager, with the sort of formal authority that the Aynshent sister lacked and the ability to wield some of the power that every employer in market-based societies has over its employees, needs constantly to negotiate with other organisational members and to win people’s consent to managerially initiated changes. Negotiation and bargaining are at the heart of all managerial work and strategic human resourcing.

**Work organisations as negotiated orders**

In the same way that organisational members are much more than bundles of human resources, organisations are much more than bunches of individuals. And they do not operate as simple people-processing machines. It may be helpful at times to analyse organisations as systems and procedures that transform inputs into outputs. But to understand the complexities of how organisations work in practice we need to see inside the ‘black box’ with which systems thinking presents us (Silverman, 1970; Watson, 2006). Every organisation has its own social order, with rules, values, official and unofficial interactions, formal and informal power structures and distinctive cultural patterns.

The human resourcing work that the Aynshent sister was undertaking was concerned with changing the social order of that human grouping. What she was doing clearly involved more than just dealing with individuals. Some cultural
shift would need to be negotiated to accommodate the brother who was challenging her proposals. But also, there was the possibility that the brother was going to start a faction within the tribe, an interest group that might split the family and bring to the surface as yet latent conflicts of interest. The cooperative spirit that allowed the family to prosper and grow so far might be threatened. Part of the evolution of the human species as a whole has been the development of a capacity for cooperative effort. This has enabled achievements over the centuries that far exceed anything the Aynshents could have dreamt of. But equally important has been a tendency for people, both as individuals and group members, to assert their independence of others, to resist power and to pursue sectional interests.

All of these matters are key concerns of strategic human resourcing. And it is helpful to locate our understanding of human resource work within an understanding of work organisations as negotiated orders, recognising that the differences of interest and power arising in organisations both arise from and contribute to the class, power, gender and ethnic differences prevailing in society at large (Watson, 2008). To see work organisations as negotiated orders is to recognise that they involve continually emergent patterns of activity and understanding that arise from the interplay of individual and group interests, ideas, initiatives and reactions – these interests and differences reflecting patterns of power and inequality applying in the society and economy of which the organisation is a part.

Within any work organisation, ancient or modern, there will inevitably be different constituencies that have to be managerially bargained with, if the management is going to ‘keep the organisational show on the road’. If managers are going to have any control whatsoever over the activities of the people working in the organisation they will need to win their consent and reward their compliance. And the interests of each group of office or factory workers need to be balanced with every other group, the aspirations of each departmental head have to be matched with the aspirations of every other, the demands of each professional faction set against the demands of every other, and so on. All of this has to be handled in a way equivalent to the bargaining and trading that has to occur on the organisation’s behalf with customer, supplier and various other external constituencies to bring in the non-human resources of raw materials and revenue that are necessary to enable the enterprise to continue in existence. And to say this takes us towards a particular conception of strategic management: a ‘processual’ view that recognises the centrality of exchange relationships between organisations and various constituencies both inside and outside them.

Managing organisations strategically

Strategies as patterns that emerge over time

The normal way we tend to talk of strategies is as plans and, in the organisational context, we tend to talk of them as the plans the people in charge of organisations make to fulfil whatever goals they have set for that enterprise. It is increasingly being accepted that we can more usefully understand strategies as the outcomes of ongoing organisational processes involving a range of contributors rather than
as pre-decided plans produced by specialist ‘strategy-makers’. When doing strategic
analysis – trying to understand how organisations are, or might be, shaped and
directed over time – it is more helpful to utilise a concept of strategies as realised
patterns rather than to treat strategies as managerial plans. A ‘processual’ view of
strategy sees it as the pattern emerging over time in an organisation as actions (of both
a planned and unplanned nature) are carried out to enable the organisation as a whole
to carry on into the future.

It follows from this view that strategic choices or managerial decisions are those
that have:

- a corporate dimension: relate to the whole organisation as opposed simply to a
  part of it;
- a long-term implication: whether this be a matter of just surviving in the sense
  of staying viable or a matter of aiming to operate at a higher level of perform-
  ance (Boxall and Purcell, 2002).

Important studies by Quinn (1980) and Mintzberg (1994) adopted this perspective
and established that strategy-making, when seen in practice, involves a great
deal more than simply developing and implementing plans. The strategy of an
organisation is thus best understood not as the plan which an organisation follows
but as a pattern which unfolds over time in which formal planning can be found to
occur to a greater or lesser extent. Quinn’s (1980) research shows that organisations
whose strategy-formation efforts are relatively successful in terms of conventional
business criteria follow processes of logical incrementalism. This is ‘a process of the
gradual evolution of strategy driven by conscious managerial thought’, as opposed
to one involving operating with systematic preshaped strategic plans. At the centre
of the ‘process realm’ is a ‘network of information’ which extends the perspective
of operating managers and helps reduce their uncertainty about the future, as well
as stimulating long-term ‘special studies’ (Quinn, 1980: 38–9). Mintzberg’s ‘McGill
studies’, which tracked the strategies of several organisations, similarly and ‘in
general’ ‘found strategy making to be a complex, interactive, and evolutionary
process, best described as one of adaptive learning’ (Mintzberg, 1994: 110). Strategy
again emerges from complex processes rather than grand plans.

In the human resourcing area there is little evidence that very deliberate
processes of carefully sequenced strategic analysis, planning and implementation
are followed in practice. As Whipp put it, ‘the application of over-rational, linear
programmes of HRM as a means of securing competitive success is shown to be at
odds with experience both in the UK and elsewhere’ (1992: 33). More processual
frameworks like those adopted in research by Hendry and Pettigrew (1992) and
Pettigrew and Whipp (1991) show that integrating human resourcing with
broader strategies is a ‘highly complex and iterative process, much dependent on
the interplay and resources of different stakeholders’ (Legge, 1995: 135). There is
rarely an ‘easily isolated logic to strategic change’ and, instead, the process is one
which takes its motive force from an amalgam of economic, personal and political
imperatives’ (Whipp, 1992: 33). Bamberger and Meshoulam, in contrasting the
processual or what they call ‘incremental’ approach to strategy with the more
traditional ‘rational planning’ one, stress the value of the incremental perspective
in recognising that ‘the strategy formulation process is characterised by a high
degree of informality, intra- and interorganisational politics, fragmentation, and,
to a certain extent, even chance’ (2000: 21).
Strategic debate at Moddens Foods

Moddens was for many years a small family firm that made sausages and supplied poultry to the gentry in a rural part of the country. These days it is a much larger business selling a range of food products across Europe and North America. Sam Modden is the company chairman and the only member of the family actively involved with the business. He is finding himself increasingly influenced by his daughter, Eva, who has nothing to do with the business and devotes all her time to her activities as an environmentalist and an ‘anti-globalisation’ activist. Her father, while disapproving of this, has come to take seriously some of her objections to the way the company is growing, in large part as a result of its applying industrial and chemical-based production methods to food products and the increasing use of cheap overseas labour at the cost of employment in the home country.

Tension has been growing for some time between Sam and the managing director, Juan Poort, who is keen to pursue a strategy of routinising production methods. This involves using whatever genetic manipulation of crops can offer to maximise the yield from harvests, for instance, and treating meat products in a way as close as possible to industrial raw materials. Connected with this is his determination to reduce labour costs to a minimum by hiring and firing workers across the globe in a way he deems to be most convenient and cost-effective. Poort is supported in all of this by Frank Angle, the operations director. Angle was brought up in the home town of the company and was once close to the Modden family. He has been increasingly loosening his local ties and seems to enjoy travelling the world and looking for supply and production opportunities in the Far East – especially in Thailand, where he has recently married a local woman. Hal Selz, the marketing director, not only personally dislikes Frank Angle but his religious principles, he says, lead him to sympathise with Sam Modden. He shares Sam’s unhappiness about the company’s shift to higher volume, lower quality output. They are both also very concerned about the increasingly ruthless human resourcing strategy which is associated with this.

The finance director, Ivan Kelp, has a degree of sympathy with these reservations about strategic trends but is also aware that the increasing profit levels which are being achieved are likely to be helpful in fighting off the takeover bid that he believes is likely to be made in the near future by a very large foreign-based international food company that, as yet, does not have a foothold in the country. Jean Frear, the human resources director, has a personal but very private preference for the company staying true to its
high quality, broad range and ‘premium product’ roots. Her taste for gourmet food attracted her to the job at Moddens in the first place. But she tries hard to stay relatively neutral in the arguments and to mediate between the two factions on the board. She feels that she has a ‘professional responsibility’ to avoid dissension growing to an extent that will harm the business. She is also conscious that, as she put it to her colleagues in a recent board meeting, they cannot ‘have it both ways’ strategically: being both a ‘mass producer of cheap chicken nuggets’ and a ‘purveyor of fine quality game and sausages to the discriminating classes’. She explained that two or three of their best chefs and food scientists were talking of leaving the company, a loss that would threaten several new products that were currently being developed. In Frank Angle’s view, however, such people are ‘more trouble than they are worth’. He prefers to employ, at the centre, ‘a small number of straightforward chemists and food engineers’ who would push forward the ‘rationalisation and technological control’ of every aspect of the business and forget trying to appeal either to ‘ethically over-sensitive’ customers or to the ‘small clientele of food faddists’.

These differences are currently coming to a head over issues in the original headquarters and manufacturing centre in the town where the business began. Poort and Angle want to close the three chicken production centres in the town and replace them with plants in Thailand and, as production increases, China. They also want to close down the experimental organic food farm, which has been producing foods for Moddens’ range of organic foods which Hal has been struggling to establish with two of the country’s major supermarkets. They object, additionally, to Sam’s belief in regularly producing new products to new recipes, especially when these are produced as a ‘seasonal line’ and are meant to stay on the market for only a short time. Moddens’ share of the relatively small organic market has been growing only slowly and Poort would like to abandon it. This is in spite of the fact that Sam has been giving the organic and ‘new seasonal foods’ parts of the business his close and personal attention over recent months. Like Jean Frear he is aware that some of the very able and highly skilled agricultural experts, chefs and food scientists that Moddens employ are becoming anxious and are beginning to look for employment with rival companies. He is also concerned that the company is employing fewer and fewer of the local people whose families provided the labour and expertise that helped the business to grow over the years. But Frank Angle makes Sam and Jean exceedingly uncomfortable by pointing out to them that many of the workers employed locally are foreign workers, many of them refugees who are bussed in to the factories, often from miles away, to work long and often unsocial shifts for pay little above the national minimum wage. So why not, asks Poort, pay the even lower Thai national wage?

These events illustrate the point very well that if we want to understand how long-term changes to ‘whole organisations’ come about (i.e. strategy-making occurs), we need to look at the managerial politics of the organisation, at the various values and interests of the people responsible for shaping the organisation,
instead of looking for wholly ‘rational’ plans made in the face of unambiguous market and other contextual information. This is by no means to argue that strategies result simply from personal arguments and political debates among decision-makers. Nor is it to argue that there is no degree of planning involved in what occurs. And it is certainly not to argue that issues in the organisation’s business environment are not highly relevant to either strategic debates or strategic directions that are subsequently followed. Instead, it is to suggest that we look at all of these factors working out together. Let us consider some of these in the Moddens case.

**Activity 1.3 ‘Human’ and contextual factors in strategy-making**

1. Identify the part played in this process of strategy-making by the personal interests, values and ideas of these people who are, in effect, Moddens’ strategy-makers.
2. Identify the part played in this process of strategy-making by business, market and other contextual factors.

There appear to be two main factions developing among the key managerial decision-makers in Moddens, with the HR director, while favouring one of these, nevertheless trying to adopt a relatively neutral and mediating role and the finance director being equivocal. Sam Modden has perhaps the strongest personal feelings about developments, with his background as the remaining member of the founding family on the board. He clearly has strong feelings about the locality in which the firm developed and a conscience about employees and a degree of commitment to the local population. He is also influenced in his disquiet about the ‘industrialising’ tendencies in agriculture and food production by his daughter, who is a very committed critic of world trends of which Moddens, presumably to her distress, is becoming a part. Sam, we can assume, has also developed a commitment to the organic product line in which he has taken a strong personal interest. Juan Poort, the managing director, appears to have a simpler view of the business, unencumbered by sentiments about family or locality. Poort seems to find it easy to view workers as means of production rather than as people to whom an employer might have a longer-term commitment. Convenience and cost-effectiveness are his priority in the human resourcing field. Frank Angle seems to think similarly and appears to have some personal contempt for ethical ideas (at least for ‘ethically over-sensitive customers’) and for gourmet-oriented customers (‘food faddists’). In speaking in this way, of course, he may well be attempting to upset or challenge Sam Modden or Jean Frear who, he is probably aware, is possibly one of these ‘faddists’. Although we can infer that he once shared some of Sam’s affection for the locality in which he built his career, we learn that he now likes to travel the world and it is not unreasonable to guess that some of his interest in moving production to the Far East is connected to his marriage to a Thai woman.

Jean Frear operates with certain ideas of ‘professional’ commitment and this, she clearly hopes, will keep her to some extent above these interpersonal wrangles as she tries to mediate between the factions. Nevertheless, it is apparent that her
sentiments are with Modden. She and Sam, we hear, are made very uncomfortable by Angle’s reminding them that some rather exploitative-sounding employment practices are occurring in the home town – let alone abroad. Whether or not she is likely, in the longer run, to bring Ivan Kelp into this middle ground is unclear. It looks like he is experiencing a tension between his value-based reservations about these trends and his awareness that the same trends might be helpful to him in his job, in so far as the rising profit figures help him fight off a possible takeover bid. Hal Selz, on the other hand, is in a less complicated position. From what we know, he has religious-based value objections to the ‘ruthlessness’ of human resourcing trends. And we might expect his personal dislike of Frank Angle to encourage him to support the Sam Modden position in questioning these trends.

All of these differences at the interpersonal value and personal-interest level can only be understood if we see them taking place in the light of a range of factors in Moddens Foods’ business situation. A variety of relatively specific contextual factors arise within the more general political-economic context of Moddens’ location within a capitalist culture and structure in which there are markets not just for products but for labour and for companies themselves:

- ‘Globalising’ trends and the opportunity to obtain supplies and labour from across the world, at a lower cost than in the company’s home country; the availability of cheaper ‘refugee’ labour in the home country; the existence of growing overseas markets; the threat of takeover facing Moddens, one which relates to the apparent interest of a large international company in acquiring a business in Moddens’ home country.
- Technological factors, with the increasing possibility of applying industrial and chemical methods to food processing.
- Legal factors, with the different minimum wages laws in different countries.
- Market factors and, especially, the existence of an apparently large market for ‘industrialised foods’ like chicken nuggets as well as the existence of a smaller, but higher price oriented, market for organic and other ‘premium’ and short-season food products.

In so far as we can see Moddens as a ‘whole organisation’, it is clearly one that, to survive into the long term, has to exchange resources or ‘trade’ with both external constituencies such as customers, suppliers and share owners and internal constituencies such as various employee constituencies and different significant managerial individuals and factions. Exactly how these exchange relations are to be shaped in the future is clearly the key strategic issue facing those in charge of the business. Are the main customers to be those wanting cheap homogenised foods or the more gourmet-inclined or environmentally sensitive consumers? Are the main employment exchanges to be with a relatively committed and traditionally skilled local workforce or with workers recruited on a hire-and-fire basis wherever in the world they are cheapest and most convenient to employ? And, at the technical–professional level, is the employment exchange to be with what we have seen characterised by Frear as a group of ‘highly skilled agricultural experts, chefs and food scientists’ or with a group of what Angle calls ‘straightforward chemists and food engineers’? As we will shortly see, the current position in which both of these strategic styles are being followed at the same time is increasingly being recognised by the directors as untenable.
The type of employment exchanges that Moddens makes with the various worker constituencies (these, of course, including the senior managerial workers whom we have met) are going to be central to the human resourcing strategy of Moddens Foods and to the type of company it becomes in the future.

Managing HR strategically

The nature of human resource strategies

In the light of our analysis so far we can conceptualise the human resourcing element of an organisation’s overall strategy in terms of the ‘general direction’ that it follows in dealing with the human resources it needs to acquire through exchange relationships with the various human constituencies that can supply them. To follow a clear and consistent direction strategic human resourcing must involve the establishing of clear principles about ‘how people are to be treated’ and the shaping of practices that implement these values and principles.

We can thus most usefully define an organisation’s human resourcing strategy as the general direction followed by an organisation in how it secures, develops, retains and, from time to time, dispenses with the human resources it requires to carry out work tasks in a way that ensure that it continues successfully into the long term. And, thus, ‘strategic human resourcing’ is to be understood as the establishing of principles and the shaping of practices whereby the human resources which an organisation, seen as a corporate whole, requires to carry out work tasks that enable it to continue successfully into the long term.

It would appear that, at Moddens, there is no clear ‘general direction’ being followed and there is inconsistency in the basic principles and values behind the shaping of human resourcing practices.

Activity 1.4 Direction and consistency in emergent HR strategies

1. Consider the extent to which an emergent human resourcing strategy (or ‘general direction’) can be seen in the account of managerial deliberations in Moddens Foods.

2. Assess the view stated by Jean Frear, the HR director, that there is an inconsistency in the current strategic approach (‘having it both ways’ as she puts it) and consider the implications of such an analysis for human resourcing in the future.

One of the reasons why we can so clearly see in the Moddens Foods case the role of organisational politics within strategy-making processes is that a strategic crisis has arisen. In the past there was a fairly clear strategic HR direction, one that might be seen as relatively paternalist, with employer and employee having some sense of long-term commitment to each other. This was associated with a broader business direction in which relatively high quality and expensive products were
supplied, with highly skilled and innovative technicians being employed to bring
about innovations to cope with developments in the tastes of more ‘discriminating’
customers. However, other markets were also developed in which a much more
‘hire and fire’ HR strategy appears to have developed alongside the older traditional
Moddens’ approach. And it is interesting that it is the HR director who points to
a problem in these two business directions being followed at the same time. Jean
says that the company cannot ‘have it both ways’: at the same time producing
‘cheap chicken nuggets’ and ‘fine quality game and sausages’. In raising this, she
is raising marketing problems and noting the challenge of the ‘good name’ of
Moddens as a supplier of ‘superior’ foods being damaged through an association
with a product of a very different nature. But there are significant human resourc-
ing issues in her mind too. She explains this to her colleagues.

Case Study 1.2b

Strategic incoherence in Moddens’ HR strategy

‘As HR director I don’t just think about staffing issues, you know,
I’ve seen a couple of articles in the food press questioning how far the
company can be trusted by the people who pay the high prices for our
premium sausages and game pies when it is simultaneously operating in
the same market as producers of junk foods who use all sorts of mechanically
recovered bits and pieces, force a high water content into the meat and
have no reservations about the indiscriminate use of antibiotics. So I don’t
see how we can stay in both markets – and here I know Hal feels the same
as me. But my main input here has to be on the HR front. This damaging of
our reputation is, as I have told you already, causing some of our top food
and cookery experts to think of leaving us. These are the people we depend
on for the innovations that we need to make to ensure our long-term future.
And, let me tell you, I have already found that recruitment problems are
occurring in these areas. The potential graduate recruits I have been talking
to are pretty environmentally aware these days. I can see real recruitment
problems for technical posts. Where does that leave us when looking to
the future?’

‘I have to admit that the increasing bussing-in of cheap foreign
labour is also giving me headaches. It’s not just that I am uneasy about
some of the bullying and racism I have uncovered among supervisors
that this has given rise to. I am also finding it difficult to pursue consistent
pay, equal opportunity, promotion and disciplinary practices across
a workforce that, in part, is local, long-serving and has fairly high
expectations of us in welfare terms and is, in another part, untrusting
and afraid, speaks a dozen different languages and may be sent back to
their country of origin not long after I’ve got them trained and beginning
to feel part of the company. It used to be a key part of the relationship of
Moddens with all our employees that everyone was treated fairly. Nowadays
nobody really knows where they stand and whether or not they might be
replaced tomorrow by somebody on a lower wage who is willing to do
whatever they are told.’
Human resourcing as essentially strategic

We noted earlier that to think about an organisation strategically is to think about the whole organisation and about the organisation’s long-term future. Jean Frear, in her above statement, is looking at Moddens in both of these respects. Her responsibility for the HR strategy of the organisation leads her to look at the extent to which the organisation is ‘holding together’ as a human enterprise. She clearly worries about disintegration in this respect, with the danger, in effect, of a divided workforce leading to a divided organisation – one in which people will neither trust each other nor trust the company. And all of this is looked at with respect to the longer-term future of the organisation. She is particularly concerned about the innovative skills that she believes the organisation will require for the long term. These, she believes, are skills that will both be lost and prove irreplaceable if the emerging new strategic direction is followed.

These issues, raised by the HR director, might well be shared by other directors or senior managers. But, given the tendency for many managers to have specific functional or departmental concerns and objectives, there is an especially heavy strategic responsibility on the HR specialist to look at the human dimension of the organisation in a broader and more corporate sense. We could say that strategic HR management is essentially strategic (Watson and Watson, 1999). There are two reasons for this:

1. Whereas functional/operational/line managers have to focus on local or departmental performance, HR management must consider the whole organisation.
2. Whereas functional/operational/line managers have to focus on immediate or short-term performance, HR management has to look at the long term.

Strategic human resourcing, regardless of who takes formal responsibility for it, must be corporate and long term, for example:

- to avoid internal conflicts – and comparability claims – over perceived unfairness;
- to develop skills for the future as well as the present;
- to keep the organisation as an employer ‘in line’ with the law and public perceptions.

In the final analysis, a work organisation – be it a business, a public service or an administrative organisation – is a human enterprise. It fulfils tasks or achieves levels of performance greater than those that would be possible if people were to work on their own or in small groups. Using a mixture of power, negotiation, control and the seeking of consent, the management of an organisation has to pull that enterprise together and direct it in various ways. A human resourcing strategy is at the heart of this: without it there could not be an organisation.

HR strategy as mistress and servant of corporate strategy

It is possible to argue that human resources are not simply the means that an organisation uses to achieve organisational ends but are to some extent ends that the organisation exists in part to fulfil. The resource-based view of organisations (above, p. 10) discussed earlier takes us some way towards such a position: the
organisation is a bundle of resources and organisational activities are undertaken to make use of those resources – the distinctive competences and capacities residing in the people who make up the organisation. Sam Modden suggests a view along these lines, recognising in the process that some of his fellow directors think quite differently.

**Case Study 1.2c**

**Corporate and HR strategy in Moddens Foods**

‘I recognise that as chairman of a company that my family built up, I have a special loyalty to people who have given quite a lot of their lives to the business. Saying this sounds old fashioned but, as I said to Jean Frear when we recruited her as HR director, we have in this company a lot of skills and knowledge of farming, cooking and food processing and we have a lot of people who are willing and keen to make the firm ever more prosperous. I think we do such people an honour to exploit those capabilities and commitments. When I said this first to Jean she laughed and, quite rightly, pointed out that such a view was also ‘good for business’ and my own good standard of living. She is right, of course. But I see consideration of what makes up the business – in people terms – as something of a starting point when we are discussing the way the business should go. People like Ivan and Frank, however, start off from business opportunities and then simply treat human resources as means to those ends, similar to the way they think about the tractors and lorries that we buy. I see perfectly well that such an approach often makes business sense: that HR policies and practices are adopted to serve business strategies. I just think that we should recognise the possibility can also exist of things working the other way round. To put it another way: the human resources you start off with constitute, in themselves, an important business opportunity. I think you miss that point if you automatically talk of HR always being the servant and never the mistress of corporate strategy.’

It is clear that debating which comes first, the corporate/business strategy or the HR strategy, is rather like the old question about whether the chicken or the egg came first. However, the arguments of Sam Modden, and some of the assumptions of the resource-based view of organisations, provide an important corrective to certain common, influential and taken-for-granted ways of speaking about HR resourcing: one in which human resourcing considerations are made only after an organisation’s management has decided its basic corporate and business strategies. It is perhaps not surprising that many tough-minded and ‘macho’ business leaders choose to speak in this way but it is more surprising that influential writers should support such a simplistic view. Lengnick-Hall and Lengnick-Hall (1988) made a similar observation. In arguing for a ‘reciprocal interdependence’ between corporate and HR strategies, they criticised standard thinking for ‘matching people to strategy’ rather than matching ‘strategy to people’ (Lengnick-Hall and Lengnick-Hall, 1988: 456) and Beaumont called for a ‘close two-way relationship between business strategy’ and ‘HRM planning’ (1993: 4). Yet, some years on from this, we see Ulrich (1997), to take one influential writer, pointing to the purpose of strategic
human resource management as one of identifying what human capabilities are required to implement a ‘business strategy’ in order then to act to acquire those capabilities. And Schuler et al. (2001), in their systematic overview of ‘HRM and its link with strategic management’, clearly make HR strategy derivative of broader strategies. First, they suggest, strategists ‘establish vision, mission values and general strategy’. They then ‘identify strategic business issues and strategic business objectives’. Only then do they turn to HR issues, when they ‘interpret’ the ‘HR meaning’ of these issues and objectives (Schuler et al., 2001: 16). One cannot help wondering if there is not a value assumption of ‘business before everything’ operating here and in the range of other textbooks that make HR part of the ‘implementation’ of strategy as opposed to a consideration that it can be part of the making of the corporate strategy in the first place.

To help with all the issues that we have been looking at so far we can move towards a general model for thinking about and analysing human resourcing choices and patterns. We need to recognise the existence both of the scope for managerial choice and the limitations on that scope that arise from the various circumstances of the organisations within which those managers are working.

**Choices and circumstances in the shaping of HR strategies**

‘HRM best practices’ vs. ‘HR practices appropriate to organisational circumstances’

A significant trend in modern HR thinking has been to claim that in modern highly and globally competitive times there is really only one successful way for an organisation to deal with human resourcing issues. This is to adopt high involvement (sometimes called ‘high performance’ or ‘high commitment’) practices regardless of the organisation’s circumstances. According to Wood and de Menezes (2008), work enrichment and flexible work practices are ‘potential high involvement practices, as well as skill-acquisition (such as training and briefing methods, or training specifically geared to facilitating high involvement such as training in interpersonal skills or in teamwork) and motivational practices (including job security guarantees, internal career ladders, minimal status differentials, variable pay schemes, and skill-based pay)’ (2008: 641). These ‘best practices’, along with others (Table 1.1), are sometimes characterised as ‘HRM’ practices and are contrasted with older ‘personnel management’ practices (Storey, 1992; Legge, 1995).

<table>
<thead>
<tr>
<th>Table 1.1 HRM best practices</th>
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<tbody>
<tr>
<td>• Human resourcing issues are the concern of all managers.</td>
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<td>• Human resourcing considerations are part of all strategic-level deliberations.</td>
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<td>• A strong culture, with high levels of worker involvement and consultation, encourages high employee commitment to the organisation and its continuous improvement.</td>
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<td>• High trust relations and teamwork practices make close supervision and strict hierarchies unnecessary.</td>
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<td>• Employees undertake continually to develop their skills to achieve both personal ‘growth’ and task flexibility.</td>
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Considerable empirical research has been gathered to support the claim that such policies and ‘best practices’ pay off (Huselid, 1995; Becker and Gerhart, 1996; Ichniowski et al., 1997; Macduffie, 1995; Guest, 1997; Patterson et al., 1997; Pfeffer 1998). At a common-sense level, there is plausibility in this. If we recognise the existence of a general ‘norm of reciprocity’ in human societies (whereby if people treat us well, we tend to treat them well in return), it seems reasonable to expect that employers who act with respect and trust towards employees might expect their employees to return such trust and respect and to perform more effectively than if they were treated with limited trust or respect (Fox, 1974). However, as well as a range of logical and other problems (Boxall and Purcell, 2003; Marchington and Grugulis, 2000; Legge, 2001; Purcell and Hutchinson, 2007; Purcell and Kinnie, 2007) that arise with regard to the studies claiming to demonstrate the universal relevance of HR ‘best practices’, we have to ask why a vast number of employing organisations across the industrial capitalist world – often unresearched and certainly uncelebrated – have chosen not to adopt these practices and yet are not going out of business. We might well ask the question that if, for example, managers find they can somewhere in the world profitably recruit workers on hire-and-fire sweatshop conditions, low pay, insecure contracts to, say, kill and gut chickens, why should they move to high commitment relationships, with team-working and high levels of consultation? It is not unreasonable to expect that different types of HR strategy might work in different employment or business circumstances.

An alternative tradition to the ‘best practice’ or ‘one best way approach’ in writing about human resourcing has been the ‘contingency thinking’ tradition which has argued that different types of HR strategy and practice fit or match different organisational circumstances or contingencies. Some classic studies in the HRM literature have followed such a line, for example:

- Schuler and Jackson (1987) argued that different types of HR strategy are required for organisations that follow what Porter (1980, 1985) identifies as the three key strategic options for a business: innovation, quality enhancement or cost reduction. To take the example of just one facet of human resourcing, it would be appropriate within a cost reduction business strategy to reduce training and development activities to a minimum while, within an innovation strategy, the development of a broad range of skills among employees would require more sophisticated and extensive provision of employee development training.

- Kochan and Barocci (1985) suggested that different types of HR strategy are relevant to different stages in an organisation’s life cycle. In the employee development area, again, a different set of practices would be needed when an organisation had achieved ‘maturity’ from when it was in a ‘start-up’ or ‘growth’ stage.

- Delery and Doty (1996) made use of Miles and Snow’s (1978) notion of organisations having different strategic configurations and, to take an employee development example again, argue that organisations with a ‘defender–internal employment system’ configuration would be wise to develop people to climb well-defined career ladders while organisations adopting a ‘prospector–market employment system’ would be better adopting employee development practices that give personal responsibility to employees for their learning and development.

As with the universal ‘best practice’ view, there is plausibility in ‘best fit’ thinking. A hire-and-fire and low-job-discretion type of human resourcing strategy, for
example, might work successfully in an organisation utilising simple technologies to provide goods for a stable and long-term market. But such a strategy would be likely to create considerable difficulties for the managers of an advanced technology enterprise operating in a rapidly changing market context. However, we must avoid letting the rather physical metaphor of ‘fit’ encourage us to think that managers can carefully ‘blueprint’ their human resourcing strategies to support a larger blueprint devised by corporate planners. Strategies are outcomes of human interpretations, conflicts, confusions, guesses and rationalisations rather than clear pictures unambiguously traced out on a corporate engineer’s drawing board.

It is sensible to recognise that different human resourcing practices may indeed be appropriate to the different circumstances identified by ‘best fit’ thinkers and we can add that they are likely to fit better with other contingencies such as organisational size (Pugh and Hickson, 1976), technology (Woodward, 1994; Perrow, 1986) or market context (Burns and Stalker, 1994). But it is vital to recognise that these contingencies do not determine organisational shapes or human resourcing practices. Human resource strategies are the outcomes of strategic choices by managers (Child, 1972, 1997). To varying degrees, managers will take into account contingencies such as size, technology and organisational environment when making choices. To this extent ‘contingencies’ do influence organisational patterns. But it is an influence which is always mediated by managerial interpretation and political manoeuvring. Contingencies are, in Weick’s (1979) terms, always enacted by human actors. The circumstances that Moddens Foods finds itself in are by no means unambiguous: the markets available to the company are not simply ‘there’, waiting to be met by the business. They are in part what, in the light of the interpretations made by Moddens’ managers of the business opportunities and the relative success of the different management factions, the managers will help bring into being, by the nature of the products they offer and the way they advertise and generally market their wares. Human values about human resourcing issues held by members of the rival factions will also be inputs into these decision-making processes.

**Choices and contingencies in HR strategy-making**

The basic choice to be made about human resourcing strategy can most usefully be understood as one between a low commitment and a high commitment set of policies and practices (Table 1.2).

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<thead>
<tr>
<th>High commitment HR strategies</th>
<th>Low commitment HR strategies</th>
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<tr>
<td>Follow the ‘best practice’ HR model with the employer seeking a close relationship with workers who become psychologically or emotionally involved with the enterprise. Opportunities for personal and career development are built into people’s employment, which is expected to continue over a longer-term period, potentially covering a variety of different tasks.</td>
<td>Follow ‘hire and fire’ principles with labour being acquired at the point when it is immediately needed. Workers are allocated to tasks for which they need very little training, with their employment being terminated when those tasks no longer need to be completed. The organisation–worker relationship is an ‘arm’s-length’ and calculatingly instrumental one.</td>
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A choice to lean towards one rather than the other of these two basic strategic directions is clearly going to involve consideration of human values and ethical preferences by managers making the choice. But it is equally clear that strategy-makers are not free simply to choose which direction to follow regardless of all the contingent factors that we have identified above. What is it that, in the final analysis, within all the contingencies that come into play, encourages managers to move in one HR strategic direction rather than the other? To answer this we can say that, all things being equal, a low commitment type of human resourcing strategy is more appropriate to a situation where employees are not a major source of strategic uncertainty for the employing organisation. If an organisation has a simple technology and a relatively straightforward business environment that allows it to employ easily obtainable and replaceable employees, for example, it is not likely to require a highly participative set of working practices. But if strategic managers judge that the future of their organisation would be at risk without meeting the much higher demands that are likely to follow from employing a highly skilled or educated workforce to operate a complex technology or deal with an especially tricky business environment, it is much more likely to consider a high commitment employment strategy. Such a workforce would not be easy either to obtain or replace and ‘best practice’ HR arrangements are needed to encourage these people both to stay with the organisation and creatively and flexibly apply themselves to undertaking complex tasks.

Figure 1.1 suggests how managerial choices, together with political–economic, cultural and organisational contingency factors, come together within an arena of managerial politics and strategic debate to shape the human resourcing strategy of an organisation. Managerial strategy-makers, within all the politics of the

![Image](image-url)

**Figure 1.1 Choices and circumstances shaping HR strategies**
organisational boardroom and their various personal priorities and values, debate and choose the basic direction to be followed in the light of their interpretation or ‘reading’ of the circumstances facing the organisation. In practice, all the factors identified in Figure 1.1 mutually influence each other and changes in any one area may instigate shifts in another. The double arrows used in the figure are intended to indicate this. And the upward-pointing arrow at the centre of the diagram is there to make a very important point. It takes up the point made earlier that the existing HR situation of an organisation can itself be seen as an ‘input’ to strategic decision-making. The strategic debate we have been following in Moddens Foods, for example, has arisen in part because of issues arising in the ways Moddens is currently treating the people it employs.

**Activity 1.5 Uncertainty, employee constituencies and HR strategy-making**

Assuming that the debate among the directors of Moddens Foods is taking them towards a choice for the future of either a low commitment HR strategy (associated with prioritising high-volume, low-cost food products) or a high commitment strategy (together with a prioritising of high-quality, ‘premium’ and short-season food products), consider the extent to which considerations of the uncertainties that employee constituencies create for managers have played in the debate so far — and might play as the directors continue their debate about how they are to go forward into the future.

The Juan Poort and Frank Angle faction within the Moddens’ board appears to favour both a broadly predictable business strategy with relatively low uncertainty levels and an employment strategy to go with this. Angle comments that he prefers to employ a ‘small number of straightforward chemists’ rather than the currently favoured agriculturalists, chefs and food scientists. These are people who, he says, are ‘more trouble than they are worth’. He appears to assume that the type of ‘straightforward’ technical experts he wants to employ would not cause uncertainty of the type currently being created by the people who, the board is told, are currently threatening to leave. And the ‘rationalisation and technological control’ over production that his type of technician would help bring about relates to the broad business strategy that he and Juan Poort favour – one in which the high-volume, low-price chicken nugget type of product predominates. The implication of this is that the older HR business strategy favoured by Sam Modden and his supporters of producing high-quality, lower-volume food products requires a type of labour that is less directly controllable and predictable (and is therefore a source of greater uncertainty) than the foreign and migrant labour and the less skilled technical labour that is increasingly being used.

Choices for the future of Moddens will inevitably take into account the extent to which human resources are going to be:

- a relatively predictable, certain and easily manageable aspect of organisational management – if they go for the ‘chicken nuggets’ option, for which a low commitment HR strategy will tend to be appropriate;
a less malleable, uncertain and more challenging aspect of organisational management – if they go for the ‘premium sausages and game pies’ strategy option business (with its emphasis on innovation, novelty and high quality) for which a high commitment HR strategy will tend to be appropriate.

Case Study 1.2d

The Moddens sort themselves out

After a number of stormy boardroom meetings and a series of less formal discussions between the various individuals with an interest in the future of Moddens Foods, a settlement was made. This involved splitting the organisation into two divisions. Sam Modden and Juan Poort would stay in their positions as Group Executive Chairman and Group Managing Director, supported by Ivan Kelp who would take charge of finances for the whole group. But the Modden name would only be used on products made by the Gourmet Division, which would be headed by Hal Selz. The Volume Division, to be managed by Frank Angle, would re-brand its products and move into new and separate premises of its own. Jean Frear opted to work only for the Gourmet Division. She nominated one of her staff to take charge of HR issues for the Volume Division. Angle insisted that this would not be a senior management role and that he would be called their ‘HR officer’. ‘We don’t need a big-time HR director like Gourmet will’, he said, ‘HR will be nice and straightforward for us.’

Successful human resourcing strategies, it can be argued, need to fulfil criteria of both vertical integration, whereby there is a ‘fit’ between HR strategies, broader organisational strategies and organisational contexts, and horizontal integration, where there is a ‘fit’ between ‘different HR policies and practices, and the degree to which they support or contradict one another’ (Marchington and Wilkinson, 2002a: 9). Moddens Foods had got into a state where neither of these criteria was being fulfilled. But by turning itself, in effect, into two separate organisations it was moving towards achieving both – with vertical and horizontal integration being achieved in different ways in each of the two divisions.

High commitment and low commitment HR strategies in practice

We have, in this chapter, focused on human resourcing strategies as ‘broad directions’ which are followed by organisations in the way they acquire and deal with the human resources they need to go forward successfully into the future. But implicit in this analysis has been a recognition that a significant range of different managerial practices are associated with each of the two broad strategic directions that we have considered. We can now end the chapter by identifying some of the more specific practices or ‘strategic components’ that tend to be associated with, or ‘fit with’, the two basic approaches to the strategic management of human resources that strategists can be seen to choose between (Table 1.3).
### Table 1.3 Components of high commitment and low commitment HR strategies

<table>
<thead>
<tr>
<th></th>
<th>Components of a low commitment HR strategy (where human resources tend to create low levels of uncertainty for managers)</th>
<th>Components of a high commitment HR strategy (where human resources potentially create high levels of uncertainty for managers)</th>
</tr>
</thead>
</table>
| **Organisational culture** | • rule-based  
• emphasis on authority  
• task focus  
• mistakes punished | • shared values  
• emphasis on problem-solving  
• customer focus  
• learning from mistakes |
| **Organisational structure** | • layered hierarchy  
• top-down influence  
• centralisation  
• mechanistically bureaucratic (rigid) | • flat hierarchy  
• mutual (top-down/bottom-up) influence  
• decentralisation/devolution  
• organically bureaucratic (flexible) |
| **Work/job design** | • de-skilled, fragmented jobs  
• doing/thinking split  
• individual has single skill  
• direct control of individual by supervisor | • whole, enriched jobs  
• doing/thinking combined  
• individual multi-skilled  
• indirect control within semi-autonomous teams |
| **Performance expectations** | • objectives met to minimum level  
• external controls  
• external inspection  
• pass quality acceptable | • objectives ‘stretch’ and develop people  
• self-controls  
• self/peer inspection  
• continuous improvement in quality sought |
| **Rewards** | • pay may be varied to give individual incentives  
• individual pay linked to job evaluation | • pay may be varied to give group performance  
• individual pay linked to skills, ‘mastery’ |
| **Communication** | • management seek and give information  
• information used for sectional advantage  
• business information given on ‘need to know’ basis | • two-way communication initiated by any party  
• information shared for general advantage  
• business information widely shared |
| **Employment relations** | • adversarial  
• collective  
• win/lose  
• trade unions tolerated as inconvenient constraints | • mutual  
• individual  
• win/win  
• unions avoided OR unions increasingly by-passed in the hope of their eventual withering away |
| **Employee development** | • training for specific purposes  
• emphasis on courses  
• appraisal emphasises managerial setting and monitoring of objectives  
• focus on job | • training to develop employees’ skills and competence  
• continuous learning emphasis  
• appraisal emphasises negotiated setting and monitoring of objectives  
• focus on career |
| **HR department** | • marginal, and restricted to ‘welfare’ and employment administrative tasks  
• reactive and *ad hoc*  
• staffed by personnel specialists | • integrated into management, and working as ‘partners’ with other managers  
• proactive and strategic  
• staff interchange with the ‘line’ or other functions |
Activity 1.6  Analysing HR strategies for consistency and fit

Analyse the human resource practices of an organisation of your choice using the scheme set out in Table 1.3 to assess the extent to which, in your opinion:

1. There is consistency within the various components of the HR strategy, so that they support each other rather than contradict or potentially undermine each other.

2. There is an appropriate level of ‘fit’ between the overall human resourcing strategy followed by the organisation and the broad context in which it operates – a ‘fit’ which means that it is more rather than less likely to survive healthily into the long term.

Summary

In this chapter the following key points have been made:

- Strategic human resourcing issues arise whenever human enterprises are set up to complete work tasks cooperatively.

- Human resources are best understood as the capacities that people bring to work situations, these resources including both capabilities that reside in individual workers and the shared capacities and cooperative potential created by those people when they work together organisationally.

- Strategic human resourcing challenges arise at various levels: from the tendency of human beings generally to resist control by others to the way modern societies and economies are organised.

- Organisational strategies are best understood not as big corporate plans but as patterns that emerge over time as strategy-makers – all of whom have their own personal and sectional priorities and interests – cope with the changing circumstances of the organisation to enable the enterprise as a whole to continue into the future.

- Strategic human resourcing is not necessarily something that simply follows from or supports corporate strategy-making. Human resource factors can themselves influence and sometimes significantly shape an organisation’s broad strategy.

- The fundamental strategic human resourcing choice for an organisation is between a low commitment HR strategy (which tends to be appropriate where organisational circumstances require human resources are that relatively unproblematic, in the sense of creating low uncertainty for managers) and a high commitment HR strategy (which tends to be appropriate where organisational circumstances require human resources are that relatively problematic, in the sense of potentially creating high uncertainty for managers).

- HR strategies do not simply arise in automatic reaction to organisational circumstances but emerge from political processes of managerial debate and argument and from the way managers interpret the circumstances or ‘contingencies’ affecting the organisation.
Human resourcing practices need not only to ‘fit’ the organisation’s business circumstances and the political contingencies of managerial choice but need also to be consistent with each other and have a coherence in either ‘high commitment’ or ‘low commitment’ terms.

Discussion questions

1. Is the author of the chapter being too ethically sensitive in objecting in moral terms to the notion of ‘managing people’?
2. What examples can you think of from your experience of work of the ways in which people tend to ‘resist’ organisational efforts to ‘manage them’?
3. Think of any work organisation you know something about. To what extent has its broad strategic approach to HR issues (its overall ‘strategy’, that is) come about as a result of the particular people in charge of it, as well as the circumstances of the organisation?
4. With regard to the same organisation, or another one if you like, does its HR strategy lean towards the low commitment or the high commitment end of the continuum set out in this chapter?

Further reading

The most appropriate further reading for this chapter is indicated in the text, where readers can follow up citations that are most helpful to their particular interests. General texts that deal helpfully and broadly with matters of human resourcing strategies are those by Bamberger and Meshoulam (2000), Boxall and Purcell (2003) and Boxall et al. (2007). To locate some of the key arguments of this chapter in broader debates about the academic study of HRM, see Watson (2004).