Where next for HRM?

Rediscovering the heart and soul of people management

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Abstract

Is HRM becoming too closely linked with organisational performance? Does the growing tendency to look up the hierarchy and seek to satisfy the needs of major power-brokers mean that too little time is spent looking at the rest of the organisation?

This working paper argues that HR desperately needs to review the focus of its contribution to ensure that it retains distinctiveness and so adds real value. The author reasons that HRM needs to reconsider its roots in people management and its unique selling point which is based in a broader and more pluralistic definition of the subject. This has major implications for the work of practitioners and academics. It requires a stronger focus on the end-results of HRM as well as its strategic formulation, and on identifying appropriate roles and measures that are more in tune with how HRM impacts on workers, as well as on product quality and customer service.

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Introduction

Plenty of time has been devoted to discussions about the meaning and significance of HRM, its link – if any – with performance, and its ability to translate strategic rhetoric into workplace reality. Where has this got us? In terms of prominence, there is little doubt that HRM has come a long way over the last forty years, both in terms of its practical contribution and its development as an academic subject of enquiry. It is now seen by many as a major contributor to organisational strategy and performance, with a series of reports suggesting that HR can make a significant difference both at workplace and corporate levels. It is also a key part of the courses undertaken by students both on undergraduate and postgraduate programmes. There is now a range of textbooks on HRM and in the UK alone we have two journals with HRM in their titles. A brief review of the job adverts in *People Management* shows that the term 'HR' is far and away the most popular title used.

This has not been achieved without opposition, both from within the profession and outside of it. Some critics from within feel HRM is too Americanised, too focused on employees as 'resources' to be used by employers, and no longer attempting to include an employee perspective when considering how to put together an HR contribution (Reilly et al, 2007). Those from outside regard HRM, especially its 'soft' variant, as little more than a public relations cloak to hide the nastier dagger of work intensification, a wolf in sheep's clothing that tries to con workers into aligning with management interests (Keenoy, 1990; Bolton and Houlihan, 2007). In its 'hard' form, HRM has been portrayed as a full frontal assault on the rights of workers and trade unions, as well as a style of management that scares workers into compliance (Legge, 2007). Whilst well-argued, these critiques are a little unfair because, depending on the argument, different versions of HRM are put forward to support the case that it lacks effectiveness or moral authority.

I have a different concern about HRM however, which goes deeper than debates about terminology. My worry is that it is now too closely – and even solely – linked with organisational performance and it is in danger of becoming indistinguishable from other managerial functions if this develops much further. Some might argue that is a good thing, and that HR must be seen to deliver what business leaders want – in terms of talent management, employer branding and leadership development, for example. Clearly it is important to value and reward those 'rain-makers' (Boxall and Purcell, 2008) who get new contracts, design new products and create a strong culture that helps to give staff a goal at which to aim. Moreover, it is necessary to gain a seat at the top table in order to be a valued contributor that can make the difference between poor and high performing organisations. All of these have a key place in the range of activities that HR professionals, academics and policy makers actually do.

At the same time, however, this growing tendency to look up the hierarchy and seek to satisfy the needs of major power-brokers means that too little time is spent looking at the rest of the organisation – the customer-facing staff at the bottom of the management chain, the staff responsible for making top quality products, and those whose day-to-day goodwill makes the real difference for most organisations. Without them, the grand ideas of the 'rain-makers' would never become reality. Associated with this is a further problem of trying to out-compete other managerial functions in being a key contributor to organisational strategy and cost-effectiveness. Here my concern is that HR will probably lose out to accounting, marketing and strategy in terms of influence, and if others are seen to do our jobs better than we do then HR will be the loser. Most strategy books and courses rarely consider HRM, other than a few pages on culture or implementation, and then the terminology employed views the human resource as a relatively easily malleable instrument in the hands of line managers. Similarly most accountants are better at working out how to cut costs than HR professionals, and most marketing professionals are better at presenting their views about how to align employee interests – that is, make them *appear* to fit – with that of the organisation. Indeed, as Wright and Snell (2005: 181) comment, 'a focus on short-term financial returns for the fickle investor may be made at the long-term cost of organisational viability'

The main essence of my talk revolves around four points, all of which are united in arguing that HR desperately needs to review the focus of its contribution to ensure that it retains distinctiveness and so adds real value. As I see it, HRM is in danger of becoming:

1. *uni-dimensional* by trying to identify idealised, one best-way, solely employer-focused solutions to be followed by all organisations
2. *superficial* by aiming to achieve easy-to-measure metrics which have little real meaning for organisations or for those who work within them
3. *elitist* because of an obsession with the needs and demands of the few, rather than paying proper attention to the many whose performance has a real impact on customers and who might expect fair treatment whilst at work
4. *mis-focused* by ignoring how HRM is put into effect by line managers and by disregarding job design issues that are central to work organisation.

To respond effectively to these challenges I believe HRM needs to reconsider its roots in people management and its unique selling point which is based in a broader and more pluralistic definition of the subject. This means (1) the HR function adopting a problem-solver role which aims to link HRM with specific organisational contingencies, including the needs of all stakeholders; (2) questioning the validity of widely-used metrics and suggesting alternatives that are more meaningful; (3) paying more attention to all workers and not just the favoured few; and (4) learning that what really matters is how line managers put HRM into effect. This has major implications for the work of practitioners and academics. It requires a stronger focus on the end-results of HRM as well as its strategic formulation, and on identifying appropriate roles and measures that are more in tune with how HRM impacts on workers as well as on product quality and customer service.

In some respects this takes us all the way back to the late 1970s, not in terms of what constituted the field at the time but to a book that Karen Legge wrote in 1978. Here she suggested that there were three roles that ‘personnel’ could occupy: conformist innovator; deviant innovator and problem-solver. Given the perceived need to appeal to boardroom interests, too much emphasis in recent years has been on the first of these roles and too little on the others. This has led to a neglect of what is distinctive about people management: its understanding of a range of stakeholder needs, its attempt to balance the competing demands of different constituents and its ability as a profession to solve problems rather than merely provide answers others want to hear.

A brief history of HRM and people management

Given this lecture is part of the 40th anniversary celebrations for the Institute for Employment Studies it seems apposite to start by examining where HRM was back in the late 1960s. It will come as no surprise that it was not even on the agenda, and at that time the subject was mostly referred to as personnel management or some variant on that term. A flick through the pages of early issues of *Personnel Management* at the end of the 1960s/beginning of the 1970s showed the key topics were training, industrial relations, pay, job design and manpower planning (and even one article on human resource accounting). A search of the jobs pages revealed that the vast majority of adverts used the terminology of personnel, though there were also examples of training, industrial and labour relations; there was no mention of human resource management, even by US companies operating in the UK. What was also interesting is how explicit the adverts were in specifying gender; for example, 'a female personnel officer', 'a lady of mature outlook' and 'three up-and-coming IR men'!

Towards the end of the 1980s, following its emergence as a subject in the USA (Fombrun et al, Beer et al), the terminology of HRM seemed to hit the UK. This was stimulated in academic circles by a conference John Storey held at Warwick and the first edition of his edited textbook soon thereafter. *Personnel Management* published more articles on topics such as training and development, pay and the role of the personnel/HR function than any others, though there were still a fair sprinkling of industrial/employee relations papers and some on equal opportunities and employee participation. This was also the time when a few more articles began to appear on HRM, for example by Pettigrew, Sparrow and Hendry (1989). Perhaps more significantly, job adverts had begun to use the terminology of HRM, especially in appointments at higher levels (what was then £25k per annum plus), though the vast majority still referred to personnel, training and employee relations.

By 2008, HRM is well-established both as an academic subject and as a term that is widely used by practitioners. None of the major textbooks, so far as I know, use the term personnel management any more, and even those that started with that as their title (eg Torrington et al) have now changed it to HRM. Articles in *People Management* – even this changed its title from personnel – tend to cover a much wider range than in previous times. Whilst learning (not training) is now one of the most popular topics, this accounts for less than subjects such as leadership, strategy and organisational culture, and about the same as material about the HR function. Apart from the occasional paper on the information and consultation regulations and legislation, there has been very little on industrial/employee relations of late. New topics include talent management (which has arrived with a bang), migrant workers, coaching, and health and well-being. Adverts predominantly specify HR, though there are quite a few mentions of business partner, some variant of people management – for example, people and strategy, or people and development – and organisational development. Interestingly People Management is now larger than it was in previous years, it is published more often, and a greater number of pages have been devoted to job adverts/appointments.

So, there is little doubt that HRM as a term has truly arrived in the UK, though the CIPD has retained its 'old' name and does not use HRM (or for that matter HRD) as a subject title in its existing professional development scheme. Universities appear to have taken on board the terminology of HRM, in the names of their departments, the titles of their chairs and their core subjects. So far as I know none of the leading universities has advertised a chair in talent management or employer branding, but a review of the adverts indicates these terms are not widely used by practitioners either.

Having seen how the terminology has changed over the last forty years, we will now move on to examine how the subject might have changed, and assess its consequences for people management. This is done under four separate headings, though there are inevitably overlaps and links between them.

The limits of focusing on one dimension

In its early days, HRM (or more accurately personnel management and industrial relations) was often characterised as an intermediary between management and workers, in a sense the buffer between the worst excesses of management domination and the more negative reactions of obdurate workers. Much of its work revolved around trying to get workers to agree with the plans passed down by senior management but also to make management understand that workers had real and heart-felt concerns about how they were employed. This was reflected in the welfare tradition, the interest in long-term workforce planning – especially for managers and professionals – and in an expectation of long-term employment security. This is not to say that personnel managers were merely ciphers for the workforce; far from it, as we know from many of the bloody battles that took place throughout much of the post-war period. But there was certainly a strong tradition of being seen to be fair to both sides and willing to listen to workers as well as promote employer interests.

Today HRM is more openly and avowedly oriented towards the needs of employers, both in the short and the long term. Organisational goals are directed towards short-term gains in shareholder value (or continuing cost-effective provision of services in the public sector), and thus whatever the differing interests of workers and management the HR manager has little option but to support the position of the employer. However appropriate this may seem in the short-term it ignores the place that employers can and should fill within society more generally, and the role they can play in fostering social inclusion, encouraging workers (citizens) to express their concerns through agreed channels, and identify with broader norms of fairness and equality. Boxall and Purcell (2008) put it well when they refer to employers having multiple goals, one of which is *social legitimacy*. This argues that employers occupy a role within society more generally, not only as part of a wider community that includes citizens, local authorities and consumer groups but also through financial contributions or via board positions to education (academies), health (foundation trusts) and even social movements (charities). Employers are also expected to act within the legal regime of the country involved, though of course some fail to pay the minimum wage, avoid their health and safety obligations or pay too little in taxes. But those that do seek to achieve the goal of social legitimacy, as well as other economic goals, are contributing in some way to the health of ‘UK plc’.

Two examples will be used to illustrate the harm that a focus solely on one dimension can do for HRM. First, both in academic and practitioner circles there is an obsession with showing how HRM can contribute to organisational performance – expressed in terms of financial and other indicators, which are typically short-term in nature. It takes some leap of faith to see quite how some of these indicators, such as profit or share value, really can be influenced directly by the efforts of individual workers within a small firm, let alone in a large multinational corporation. The recent and on-going financial crisis provides a rather sombre reminder of how share prices can be influenced by actions way beyond the control of HRM and HR managers.

Similarly, in academic journals quantitative analyses, using sources such as WERS, are now central to the agenda (eg, Delbridge and Whitfield, 2007; Whitfield and Hoque, 2008), whilst detailed, longitudinal case study analyses which provide a rich feel for the process of how HRM develops are becoming increasingly rare (for an exception see Hope-Hailey et al, 2005). Nowadays too many of the case studies are of the 'smash and grab' variety, with data collected on a one-off basis. What we might call sustainable HRM – the idea that employer-employee relations are formed over a period of time and need to be strong to survive difficult moments – stands little chance of receiving the attention it deserves if the focus is principally on measures of short-term organisational performance and on quantitative analysis.

Second, despite its attractiveness to practitioners, the business/strategic partner model (Ulrich and Brockbank, 2005) is in danger of leading us down yet another single, and potentially problematic, path. It is easy to see how such an opportunity for the profession to cement its standing at board level, and contribute as a full and equal member of the senior management team, should not be missed. There are problems with this approach however, not least in its lack of relevance and meaning to many HR practitioners who work in organisations where the function has never been allowed a central role. Indeed, in some organisations, HRM will always be treated as a marginal factor because it is focused around cost-reduction and contracting-out all but a few core jobs to suppliers (Marchington et al, 2005). Ulrich's work has attracted a mass of publicity and research, and many organisations have adopted the business partner role or some variant of it (Brown et al, 2004; Reilly et al, 2007). Yet some of the research has been critical of the whole concept because it seems to ignore the 'caring' side of HR work (Francis and Keegan, 2006), whilst others are dubious about how it can be reflected in specific competencies (Caldwell, 2008) or whether pursuit of the business partner role makes HR too distant from employees (Reilly et al, 2007).

A closer reading of Ulrich's work seems to suggest that HR business partners are not quite as central to strategy formulation as might be expected. They are called upon to align HRM once the wider issues have been decided, in effect being asked to help choose the wallpaper once the house has been designed and built. An additional drawback of the business/strategic partner is not of Ulrich's making but from how his work has been interpreted. In the excitement of exploring the business partner idea and the three-legged stool model of HR, people seem to forget he also referred to other critically important roles for the function – including that of employee advocate, which he regarded as much more than window dressing. However, even this role appears somewhat different from that which is implied by the term; it refers to representing employees in the event of a plant closure, with no mention of trade unions here, and dismissing those whose performance is unacceptable. Of course these are key aspects of the HR role, but they hardly add up to employee advocacy. In short, those attracted to implement the three legged stool have to decide whether it is relevant in their own situation and, if so, how it might be applied to ensure added value to all concerned.

The dangers of using superficial measures

As with many aspects of public life, HR has also succumbed to the measurement mantra by identifying key metrics that are supposed to be indicative of good performance (see Robinson et al, 2008 for a review). Of course there is nothing wrong with measures at one level. If my football team gets fewer points than others in the same division it will relegated. But this measure is *the* critical variable. Imagine instead what would happen if teams were to lose for having less possession of the ball during a game or for having fewer corners, or even for committing more fouls. These might be proxies for dominance in a game, but they are meaningless when the only thing that matters is the final result. How about the metrics used in HRM – do they represent critical proxies for good people management?

Broadly three sorts of metric are used: views of key stakeholders; the setting and achievement of service level agreements; and benchmarking against external comparisons. The first is far and away the softest of the three, in that it assesses what directors, line managers and workers think about the contribution of the HR function. There are not many studies around on this, but these suggest that directors are more positive if a business partner (or equivalent) role is occupied, though it is interesting to note that some felt HR is the responsibility of *all* directors, thus questioning the need for a separate specialist function (Guest and King, 2002). Line managers are not particularly interested in the contribution HR makes to the organisation as a whole but they do demand strong administrative support and the delivery of core HR services such as grievance and discipline, recruitment and training (Marchington and Wilkinson (2008). Gibb's (2001) study into what workers thought of HRM found that the process aspects of the role mattered most – approachability, confidentiality and professionalism. In other words, to be successful in the eyes of customers, HRM (and in particular the HR function) has to satisfy a wide range of expectations.

The two other sets of metrics used are much more specific. Service level agreements (SLAs) can be important in providing customers with an expectation of when they can receive a response from the internal HR function, the shared service provider or indeed the external consultancy firm. This could offer an improvement from what was available from some HR departments in the past. Unfortunately these agreements typically specify *timescales* for completion of tasks rather than quality of service; it is rather like a commitment to answer the telephone within five rings but then putting customers on an interminable loop of apologies for not responding due to higher than normal demand, providing a lousy service or hanging up once the phone is answered. Time-based agreements are a necessary though not sufficient measure of whether or not the HR function is effective. They are also potentially dangerous because SLAs tend to be set by other functions or by clients that are not expert in HR issues, and as such could well underestimate the complexity involved in these actions.

Benchmarking against external comparisons is the third measure. It is arguably a necessary requirement for any organisation, function or profession, and if this helps to drive improvements in performance, product quality or customer service that is important in its own right. Equally, there are increasing concerns that a single set of standard measures applied to all organisations is of limited value, and may even be counterproductive, because these fail to take proper account of organisational variety. There are also questions as to whether a core set of benchmark data would actually serve much purpose given major differences between organisations (Robinson et al, 2008). Moreover there remain anxieties that the 'hard to measure' variables relating to quality or added value, which tend to be the most important if we are to seek links between HRM and organisational improvement, are for the most part ignored.

One of the key metrics used in HRM (both by employers and academics) is level of labour turnover. It is true that this may reflect the quality of HR in the organisation, if people are leaving because they are not satisfied with their existing lot. But not everyone leaves because they are unhappy with how they are managed by their current employer; they may leave because of a better job appearing elsewhere, either with higher pay or with better promotion prospects; they may leave because a different employer moves into the local labour market and they fancy a change; or they may leave purely because they have been with the organisation for some time and want to get more experience elsewhere – as is the case with many graduates during the first few years of their careers. None of these is necessarily a negative reaction to their current employer, nor is it desirable for organisations to do all they can to keep someone who wants to leave since it can merely store up trouble for the future, especially if inducements are offered to retain the employee which create resentment amongst other staff.

There is also another serious shortcoming to using labour turnover as a blanket measure. It all depends on who leaves as to how much they will be missed by the organisation, and most managers will confirm there have been occasions they were actually overjoyed certain individuals decided to take a job elsewhere. In other words, it is important to utilise measures assessing the quality of leavers (or retained staff for that matter) as the Civil Aviation Authority is trying to do (Robinson et al, 2008: 21), rather than just record their quantity.

Many of the other widely used benchmarks also suffer from similar shortcomings, partly because they are not able to capture what really matters. Most studies use expenditure on or the number of days devoted to training as a proxy for an organisation's commitment to staff development, but this tells us nothing about the type of training offered, the range of people to whom it was offered, or indeed whether or not it was successful in achieving its aims. Similarly, cost to fill vacancies is also widely used as an indicator but once again this tells us nothing about the outcome, the type of job for which a replacement was needed, or indeed the ethics of the process. I reckon that I could recruit someone for virtually no cost if I got one of my friends to fill a vacancy but there are serious implications, both in terms of equal opportunities and quality, of resorting to such an approach. Simple measures just do not assess the complexity of some of these issues.

The annual IRS surveys (eg IRS 888, January 2008) provide benchmark data about the ratio of HR staff to employees across the economy, within sectors and in different types of organisation. This provides average figures but as IRS points out even these vary massively within individual sectors and size bands; for example, within organisations employing more than 1000 staff, the median is 1:142, the upper quartile is 1:316 and the lower quartile is 1:91. I am not sure this really tells us terribly much, but even if there was less of a spread I have never been sure what this was meant to measure anyway. Is it good to have a high ratio or a low ratio, for example? From my experience it all depends on organisational strategy, structure and culture, as well as the personal predilections of the chief executive (Finegold and Frenkel, 2006), but that does not prevent these measures being widely used. One of the Regional HR managers in a well-known MNC told me that, on joining the organisation, she was asked to provide data on the HR:staff ratio. When she asked why this data was needed, she was advised to provide the data 'because we have always used this measure' – without any explanation! Another problem is that benchmark ratios are even less likely to represent a meaningful measure nowadays because some organisations do not employ any, or many, internal HR specialists deciding instead to use external suppliers which would not be reflected in the figures.

This is not just an issue for practitioners. Academics are now much more inclined to use superficial measures of HRM, something fuelled by the availability of large data sets that were not available forty years ago. Since it was first launched in 1980, WERS has provided an unprecedented level of information in order to chart changes in HRM over the last 25 years or so. Its contribution has been immense and I am sure we have all gained from its availability compared with other countries.. But, like any large data set, it suffers from not being able to explore issues beyond the relatively superficial because it is just impossible to ask a string of questions on any one area within the time allowed. Take the area of employee involvement and participation (EIP), which has grown significantly in importance and presence in organisations since the first WERS survey nearly thirty years ago. The employer survey collects lots of data but typically it assesses specific EIP practices by their absence or presence, using information gathered from respondents in HR departments. There is nothing wrong with that, but it just does not go far enough to assess more crucial data on the degree to which EIP is embedded in organisations (Cox et al, 2006), the extent to which it has much influence over management decisions or the role that informal EIP plays in organisations (Marchington and Suter, 2008). Furthermore because questions are asked about specific techniques such as team briefing, much depends on what respondents understand by that term as to whether it is included in their response.

The misguided view that HRM is for the few, not for the many

One consequence of the focus on organisational performance and the business partner model is that more attention has been directed towards senior managers. To some extent this was long-overdue because, without a place in the boardroom or within the confines of senior management circles, HR was always going to struggle to get the recognition it deserved. If HR had little influence over strategic decisions or its voice went unheard when employers were formulating plans for the future, there was little chance that employment-related concerns would be taken seriously by employers. It is not just a case of doing the right things, but also of being seen to do the right things, so HR specialists tend to act as 'conformist innovators' rather than challenging the status quo (Guest and King, 2004). It also means that HR specialists at board level are required to demonstrate their contribution to the whole range of business decisions rather than just HRM – in a sense being directors first and specialists second (Kelly and Gennard, 2007).

Unfortunately a major consequence of this shift has been a parallel lack of recognition for those that make up the main body of any organisation, and more obviously those who work for contractors back along the supply chain. This has attracted interest over the years, for example in the core-periphery distinction put forward by Atkinson and Meager (1986) and in the HR architecture ideas developed by Lepak and Snell (2007). The case of people management across organisational boundaries has been subject to increasing interest during the last few years (eg, Marchington et al, 2005; 2009a). It is important to note that most surveys do not include in their sample workers who are employed not by the host organisation – say the NHS Trust – but by some other public or private sector organisation instead. The same principle applies with firms that act as sub-contractors to major manufacturers or retail giants, in that the terms and conditions of their employees may be influenced, or in some cases determined, by the lead employer. Whether or not they work at the same site as people employed by the host or lead organisation, they are at least partially distinct from them. In some cases, even though the host firm could be classified as a 'good employer' on any assessment of the term, those who work at the supplier could well be on vastly inferior levels of pay and employment security, and have fewer opportunities for career progression. They may also be denied access to voice if the sub-contractor firm does not recognise trade unions or offer any other mechanism for employee engagement. This is particularly problematic when workers from two or more different employers operate alongside one another on the same team, serving the same customers, yet are offered widely varying terms and conditions (Rubery et al, 2004; Marchington et al, 2009b)

The situation in relation to agency workers might be slightly different because, depending on the contact, take-home pay may actually be higher than for 'core' employees, especially if they are in a strong labour market situation. However, other terms and conditions, and especially access to valued fringe benefits, tend to be much less and workers typically feel less well treated (Purcell et al, 2004; Coyle-Shapiro et al, 2006). In other words, those people in jobs deemed to be of central importance to a client firm – one that is able to dictate terms within the contract – are in a much better position to gain from good HR practice than those working for supplier firms along the supply chain. This is particularly evident in relation to workers employed by suppliers operating in less developed countries but there is also evidence (Edwards and Ram, 2006) that even UK-based suppliers respond to client pressures by finding ways around labour market constraints (eg by employing friends and family or by failing to pay the minimum wage or deploying illegal migrants).

At the other end of the spectrum, the growth of interest in talent management is a clear indication that HR is more interested in what are often seen as potential 'winners' than they are in those on the margins of society or even in what has been traditionally seen as the main functions of people management. Recently there have been as many, if not more, articles in *People Management* on talent management, leadership and culture change as there have been on international HRM and the core CIPD subjects – such as employee relations or reward management – or on migrant workers. It is clear that only learning and coaching can match the coverage of talent management. Of course, given the difficulties employers face in getting properly qualified, rare and valuable staff, it is understandable they should focus more on recruiting and retaining those workers who supposed make the difference.

This focus however has a downside to it, most notably in appearing to ignore the talents of those workers whose efforts keep the host organisation or the supplier running, and whose attitudes and behaviours are most frequently seen by customers, or heard over the phone in the call centre (Rubery et al, 2004, Walsh and Deery 2006). Whilst what might be termed 'ordinary' workers might be happy to accept that 'stars' are lauded during the good times, especially if they too are doing relatively well financially and see a secure future ahead of them, their support is likely to dissipate when there is a downturn in economic fortunes (Hutton, 2008) and their jobs are at risk. To return to my sporting analogy earlier in the paper, teams might be willing to accept, and even celebrate, prima donnas during the good times but if results take a turn for the worse their annoyance and frustration is likely to come to the fore. This is even more marked if it is discovered that other members of the so-called team are paid considerably more than they are, and appear only to be promoting their own future on the external market. Resentment does not generally make for high quality and well-functioning teams.

In this respect, rankings such as The Sunday Times 'Best companies to work for' may offer a more rounded view. Some of the eight factors which make up the categorisation really do focus on what employees think about their employer, its leadership and managerial style, and the opportunities it offers for personal growth, well-being and the fairness of the deal it offers. In order to get onto the listing, organisations have to meet certain criteria, such as gaining a response rate of at least 40% of the employees to the survey and the completion of a 72 page questionnaire by the employer. Some of the icons that indicate which firms provide the best provision in a series of areas are very central to what one would hope many employers would provide, or at least aspire to – a minimum of 25 days annual leave; a minimum level of maternity pay, and a final salary pension scheme or similar where the employer makes a major contribution. Quite a few of the icons, however, really do seem out-of-reach for most workers; for example, how likely is it that access to health insurance, childcare provision via a crèche or vouchers, on-site or subsidised gym membership, and the opportunity for employees to take up share options is available to a cleaner in a local school or someone working in a small firm on the margins of the economy? These competitions are clearly very important to those that submit entries, and they do offer outsiders a picture of what working for some firms might be like, but some of the questions remind me of the joke used in the 1970s about 'the colour of Rolls-Royce the factory worker is going to buy from his next wage packet'!

Instead, if we do indeed care about the entire community and fairness at work, we need a much more inclusive index, one that builds upon ideas about decent work, a living wage, an absence of bullying and harassment in the workplace, as well as a real effort to build organisations that do not discriminate on the basis of gender, race and disability amongst other things. Recent events mean that attention has been focused on the very high returns that some individuals make, even if their organisation has to be bailed out by governments. But these levels of inequality have become more pronounced over the last decade, with figures suggesting that the ratio of top pay to those of the average worker in an organisation is now sometimes 250:1 compared with the ratio of 8:1 that Jeffrey Pfeffer (1998) regarded as being necessary to minimise status differences and maintain open communications and worker commitment. It is probably going too far to suggest that high pay-outs to the few might provoke unrest from the rest, but evidence of extreme status incongruity does not promote high levels of employee engagement and willingness to go the extra mile.

The failure to focus on where HRM really makes its impact

Most studies of HRM, particularly those that make use of survey data, have tended to focus on HR *practices* such as recruitment and selection, training and development, pay and reward, employee involvement and trade union presence. This is useful as it provides an opportunity to assess whether or not certain forms of HRM – such as team briefing – are in place, at least formally within organisations. In contrast there is relatively little research that examines HR *processes* such as management style, the degree of trust between management and unions, or the way in which managers respond to employee suggestions. To some extent this imbalance occurs because it is easier in a survey to ask factual questions which provide data across an entire workplace than it is to assess how HRM/people management is actually put into effect by line managers. There are some studies, such as Bowen and Ostroff (2004), that do focus on processes via the concept of a 'strong' HR system but these are at relatively abstract level and do not easily translate into specific initiatives. Moreover they adopt an essentially unitarist vision of HRM whereby workers positively and uncritically accept management ideas and are happy to align behind employer goals.

It is also noticeable that factors beyond what is traditionally seen as HRM – such as job design and work organisation – and which are interrelated with it, are typically ignored in these studies. It is not really conceivable to examine people management without considering the context in which they operate. For example, decisions about the choice of an appropriate and relevant pay system can not be divorced from a detailed investigation of the jobs that people do or the way in which their work is organised. The same applies to decisions about employee involvement schemes. It is impossible to disentangle these from organisation development, spans of supervisory control and work location. The Appelbaum et al (2000) model shows how performance is influenced not just by the ability and skills of staff (A) but also by their motivation (M) and the opportunity (O) they are given to make a contribution to decision-making and use their discretion at work. But employee attitudes and behaviours are also influenced by the administrative and IT systems that organisations use, both within the confines of a single organisation as well as in multi-employer networks (Rubery et al, 2009).

By far and away the most serious problem in focusing attention up the hierarchy, however, is a failure to address how front-line managers can be helped to make HR initiatives stick. The role that they play in translating HR policy into workplace reality is recognised by most HR practitioners but it is often re-presented as a problem and a critique of line managers' abilities – as indeed it was back in the past (Child and Partridge, 1982). The more that HR moves away from the generalist role it often filled at workplace level towards a strategic contribution through the business partner and the outsourcing of transactional work, the less support line managers feel they get. This is a problem because all the evidence shows that worker expectations are heavily influenced by their immediate day-to-day interactions with front-line managers, rather than their dealings with HR specialists (Gerstner and Day, 1997; Liden et al, 2004; Purcell and Hutchinson, 2007). It is the front-line managers' interpretations of wider corporate goals, their implementation of HR policies and their treatment of problems which define the kind of experience individual workers get from employment. Their responsiveness to employee suggestions, their effectiveness in dealing with difficult situations at the workplace, and the support they give to their staff – in terms of career development or in following up an appraisal interview, for example – is known to accentuate the effects of organisational justice (Piccolo et al, 2008).

In the absence of an HR policy, front-line managers have to make it up as they go along. But even organisations with a well-developed policy, which might be pride of the HR community and even win prizes for its sophistication, are totally reliant on line managers to deliver HR at the workplace. Moreover, since control of HR is increasingly devolved to front-line managers, it is worrying that research evidence shows these people frequently get things wrong, often through no fault of their own. They are bound to make mistakes in dealing with issues, perhaps by treating one member of staff better than another or in failing to implement HR policy in the way that was intended. After all, their main priority is to meet operational targets, and when there is a clash between these and HR goals, the latter inevitably get pushed down the agenda (Marchington and Wilkinson, 2008). This is important not only to ensure fairness and equity at work but also because the evidence, especially in interactive service organisations, shows that sales (and ultimately performance) are influenced by the front-line service workers' levels of motivation and experience (Batt, 2007). In short, good front-line manager-worker relations and effective HR policies can have a strong impact on the bottom-line, and the more that HR can do to improve this relationship the better.

Conclusions

This review and critique of where HRM has come over the last forty years and where it is now going has raised lots of questions for discussion. Of course this is always easier than providing solutions, but the purpose of my paper was to encourage a period of reflection given the amount of change that has occurred in recent years. I am not saying that HRM has got it all wrong or that all the contributions are completely useless; instead I am suggesting they represent fads and fashions that appear to have taken root as the best, or indeed, only way forward when they should be seen as providing alternatives that practitioners may – or may not – choose to implement. Put concisely, HR needs to adopt a problem-solver role in organisations, identifying practices that make sense in particular organisational contexts, rather than reflecting the latest version of best practice, pursuing the most publicised rainbow of 'new ways of thinking' or assuming the most effective way forward is to conform with the dominant perspective and become the servant of other senior management functions.

The implication of my analysis is that HR managers need to have a sound understanding of how institutions and markets shape people management and organisations, a very strong technical knowledge of HR practice and processes, and a clear commitment to recognise and consider the needs of different stakeholders. They need to be able to examine information and make decisions based on their own organisational context rather than trying to imitate – usually ineffectively (Boxall and Purcell, 2008) – the best practice literature in all its forms. Whilst it is clear there are elements of 'good' practice that any HR professional ought to implement in practice – related broadly to wealth creation and employee well-being in my view– the precise form this takes is bound to differ from one organisation to another. Of course lessons can be learned from other organisations, either in the UK or from other countries, but it makes little sense to adopt approaches just because they are gleaned from the latest guru or because they work in a leading firm.

The real skill of HR and people management remains what it has always been – being able to solve problems at all levels in the organisation, from helping shape HR strategy at board level to providing sound advice to line managers and employees at the workplace. This has major implications not only for the way that HR operates as a function and to how people management is practised within organisations, but also for HRM as a subject of academic enquiry. In the latter case, whilst large survey research has been essential in advancing our knowledge it provides little real understanding about how HRM really works in organisations.

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