

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

A Substitution Strategy for Trade Unionism?
**A study investigating Human Resource Management as a
management approach to employee relations in
twenty-two New Zealand organisations.**

**A thesis presented in partial fulfilment of the requirements for the degree of
Master of Business Studies in Human Resource Management at
Massey University, New Zealand.**

Michelle Ann Wright

1997

ABSTRACT

The Human Resource Management (HRM) and industrial relations literature is characterised by claims that denote HRM as a function which substitutes, suppresses or marginalises trade union activity within an organisation (e.g. Guest, 1987; Barbash, 1988). Upon further investigation, it is evident that there is a paucity of empirical research which studies these two disciplines concurrently. Similarly, there is also a shortfall of research exploring management values, ideology and style in employee relations. Taken together, there has been little attempt, if any, to inquire into the relationship between management ideology, HRM and traditional industrial relations. In this absence, a number of unsubstantiated propositions have been formulated with regard to the effect that HRM has on industrial relations organisations and procedures.

The purpose of the present study is to identify the intentions of senior management regarding the implementation of HRM policies and practices in their organisations. In doing so, this study will also be able to provide substantive conclusions with regard to four other issues outlined in the HRM literature. These are:

- (1) Whether or not HRM and traditional industrial relations are compatible paradigms.
- (2) Whether or not HRM and industrial relations are similar or distinctive models.
- (3) Whether or not HRM excludes, marginalises or substitutes for trade unions.
- (4) Whether or not HRM is a sustainable management approach to employee relations.

Twenty-two Chief Executive Officers (CEOs) and Managing Directors of medium and large sized private sector organisations formed the sample for this study. Using a predominantly qualitative approach, the structured in-depth interview method was chosen on the basis of the time available with participants, and the nature of the questions being asked. Each interview consisted of three parts: (1) A set of 31 predetermined questions, (2) Eight Likert scales, and, (3) A list of 29 HRM policies and practices. Respondents used this list to indicate the types of policies and practices

currently in place in their organisations. Each part of the interview was designed to elicit respondents' attitudes toward trade unionism and HRM.

This thesis reports a number of findings. The most visible finding was respondents' desire to create individualised employment relationships with their staff. This was found to be consistent with the unitarist ideology and the sophisticated paternalist/human relations style of management. Both of these were associated with the smaller sized organisations in this study. Within these organisations, levels of unionisation were either low or non-existent. However, in those organisations where unionisation was high, a pluralist frame of reference was not found in its 'pure' form. This indicated an expedient pluralism – expedient on the basis that it is cost-effective and practical to have unions involved in the workplace.

In terms of the HRM model, respondents viewed it as a vehicle to enhance the profitability and competitive advantage of their organisations. On this basis, HRM was not used as a deliberate means to substitute unions in the New Zealand workplace. The implementation of HRM practices did have the effect of union depletion nonetheless. Respondents viewed HRM primarily as a replacement function for traditional industrial relations organisations and procedures in the workplace. However, evidence was also forthcoming indicating that certain aspects of individualism and collectivism may co-exist within the employment relationship.

The future of HRM as a management approach to employee relations seems to be sustained by the ideologies and policies of consecutive Governments in New Zealand. This is also consistent with the predominant management styles observed in this study. In this regard, it is probable that a unitarist and individualist model of employee relations will continue. For traditional industrial relations organisations and procedures, these findings have significant implications.

ACKNOWLEDGEMENTS

My special thanks go to my family. In particular I would like to acknowledge the unlimited support I received from my Dad throughout this research project. Thanks Dad for your time, companionship, and the many varied and interesting conversations we had along the way. Not many would have given up their time as you did for me! I really appreciated it.

I would also like to acknowledge the support of my supervisors – Glyn Jeffrey and Chris Eichbaum, and Head of Department for Human Resource Management, Professor Philip Dewe. Thank you Glyn for encouraging me to do a Masters thesis and getting me started. A big thank you to Chris for your continued support, enthusiasm, expertise, time, and faith in my abilities, and Professor Dewe, for providing financial assistance with this project. My thanks also goes to Lance Gray for his assistance in the data analysis stage.

Finally, I would like to acknowledge the twenty-two senior managers and their organisations who made the time to participate in this research project. Your involvement has enhanced the level of empirical research and knowledge of Human Resource Management and Industrial Relations in New Zealand.

TABLE OF CONTENTS

| | | |
|--|--|--------|
| Abstract | | ii-iii |
| Acknowledgments | | iv |
| Table of Contents | | v-vii |
| List of Tables | | viii |
| | | |
| 1.0 HRM in Context – Literature, Models and the New Zealand Framework | | |
| 1.1 | Introduction | 1 |
| 1.2 | The Development of HRM | 2 |
| 1.3 | The HRM Model | 3 |
| 1.4 | HRM as a Union-Substituting Strategy | 4 |
| 1.5 | The Industrial Relations Model | 5 |
| 1.6 | The Compatibility of HRM and Industrial Relations | 5 |
| 1.7 | The Perceived Threat to the Union Movement | 6 |
| 1.8 | The New Zealand Context | 6 |
| 1.9 | Union Membership in New Zealand | 8 |
| 1.10 | Management Style as an Alternative Explanation | 9 |
| 1.11 | A Definition of Management Style | 9 |
| 1.12 | Models of Management Style | 10 |
| | | |
| 2.0 Literature Review | | |
| 2.1 | Themes in the Literature | 14 |
| 2.2 | HRM as an Exclusion and Marginalisation Strategy | 15 |
| 2.3 | The Compatibility of HRM and Trade Unionism | 15 |
| 2.4 | The Effect of High Technology Industries on Industrial Relations | 16 |
| 2.5 | The Relationship between Management Style, Strategy and HRM | 17 |
| 2.6 | The Relevant Studies | 18 |
| 2.7 | The Aim | 20 |
| | | |
| 3.0 Methodology | | |
| 3.1 | The Research Question | 22 |
| 3.2 | Prerequisites for the Sample | 23 |
| 3.3 | The Population | 23 |
| 3.4 | The Industry | 23 |
| 3.5 | Organisational Size | 24 |
| 3.6 | Positions of Participants | 25 |
| 3.7 | Formulating the Sample | 26 |
| 3.8 | The Face-To-Face Interview | 27 |

| | | |
|------|---|----|
| 3.9 | Advantages of the Face-To-Face Interview | 27 |
| 3.10 | Disadvantages of the Face-To-Face Interview | 27 |
| 3.11 | Assessing the Methods for Data Collection | 28 |
| 3.12 | The In-Depth Interview | 29 |
| 3.13 | The Informal Interview | 29 |
| 3.14 | The Focussed Interview | 30 |
| 3.15 | The Structured Interview | 31 |
| 3.16 | The Type of Interview Used | 31 |
| 3.17 | Data Analysis and Methodology | 32 |
| 3.18 | Informed Consent | 33 |
| 3.19 | The Interview Process | 34 |
| 3.20 | Eliminating Interviewer Bias | 36 |
| 3.21 | Recording Participant Responses | 36 |
| 3.22 | Questionnaire Construction | 37 |
| 3.23 | Attitudes Toward Trade Unionism | 37 |
| 3.24 | Attitudes Toward HRM | 39 |
| 3.25 | List of HRM Policies and Practices | 40 |
| 3.26 | The Likert Scales | 44 |

4.0 Data Analysis: Attitudes Toward Trade Unions

| | | |
|-----|------------------------------|----|
| 4.1 | The Literature | 45 |
| 4.2 | The Propositions | 47 |
| 4.3 | The Questions and Scales | 47 |
| 4.4 | The Results of the Questions | 50 |
| 4.5 | The Results of the Scales | 65 |
| 4.6 | Summary of Findings | 70 |

5.0 Data Analysis: Attitudes Toward HRM

| | | |
|-----|---|-----|
| 5.1 | The Literature | 73 |
| 5.2 | The Propositions | 75 |
| 5.3 | The Questions and List of HRM Policies and Practices | 76 |
| 5.4 | The Results of the Questions | 77 |
| 5.5 | The Results from the List of HRM Policies and Practices | 92 |
| 5.6 | Summary of Findings | 110 |

6.0 Conceptualising HRM: Identifying a New Zealand Approach

| | | |
|-----|--|-----|
| 6.1 | Managerial Attitudes Toward Trade Unions and HRM | 114 |
| 6.2 | Literature Review | 119 |
| 6.3 | The Propositions | 123 |
| 6.4 | The Questions | 124 |
| 1.5 | The Results of the Questions | 124 |
| 1.6 | Summary of Findings | 129 |
| 1.7 | Industrial Relations, HRM and Management Style | 132 |

| | |
|------------------------|-----|
| 7.0 Conclusions | 143 |
| 7.1 The Implications | 154 |
| 7.2 The Future | 155 |

| | |
|-------------------|-----|
| References | 157 |
|-------------------|-----|

Appendices

| | |
|--|-----|
| Appendix A - A List of the Twenty-Two Organisations who Participated in this Study | 166 |
| Appendix B - The Letter sent to the Employers and Manufacturers Association | 168 |
| Appendix C - The Letter sent to Individual Organisations | 170 |
| Appendix D - The Questionnaire | 173 |
| Appendix E - The List of 29 HRM Policies and Practices | 176 |
| Appendix F - The Eight Likert Scales | 179 |

LIST OF TABLES

| | |
|--------------|---|
| Table 3.25.1 | List of HRM Policies and Practices |
| Table 4.3.1 | Six Statements Measuring Attitudes Toward Trade Unionism |
| Table 4.3.2 | Statement Measuring the Time, Effort and Money Devoted to Human Resources |
| Table 4.3.3 | Statement Measuring the Priority Given to Industrial Relations Issues |
| Table 4.4.1 | The Role of Trade Unions |
| Table 4.4.2 | The Roles Identified for Unions in New Zealand |
| Table 4.4.3 | Respondents' Views Toward Unions in New Zealand |
| Table 4.4.4 | Dual Commitment |
| Table 4.4.5 | The Goal to be a Union-Free Organisation |
| Table 4.5.1 | Senior Managements' Attitudes Toward Trade Unionism |
| Table 4.5.2 | Time, Effort and Money Devoted to Human Resources |
| Table 4.5.3 | Priority Given to Industrial Relations Issues |
| Table 5.4.1 | The Meaning of HRM |
| Table 5.4.2 | The Similarity of HRM and Industrial Relations |
| Table 5.4.3 | The Existence of an HRM Policy |
| Table 5.4.4 | Line Management Involvement in HRM Practices |
| Table 5.4.5 | HRM Involvement in Business Plan Formulation |
| Table 5.5.1 | List of HRM Policies and Practices |
| Table 5.5.2 | Flexibility Practices Most Commonly Used |
| Table 5.5.3 | Quality Practices Most Commonly Used |
| Table 5.5.4 | Substitution Practices Most Commonly Used |
| Table 5.5.5 | Commitment Practices Most Commonly Used |
| Table 5.5.6 | HRM and Profitability |
| Table 5.5.7 | HRM and "Management's Freedom to Manage" |

1.0 HRM IN CONTEXT - LITERATURE, MODELS AND THE NEW ZEALAND FRAMEWORK

1.1 Introduction

The empirical evidence indicates that the driving force behind the introduction of Human Resource Management (HRM) appears to have little to do with industrial relations; rather, it is in the pursuit of competitive advantage in the marketplace..." (Guest, 1989, p.43). This statement is just one example of the diverse range of conclusions, propositions and assumptions which can be found in the HRM and industrial relations literature. Since the rise of the HRM model in the 1980s, various attempts have been made to ascertain the effects of HRM on traditional industrial relations organisations and procedures. This interest is based primarily on the contention that the HRM model is a unitarist and individualist approach to employee-relations (e.g. Guest, 1989). From this it follows that HRM and traditional industrial relations organisations and procedures are incompatible (e.g. Guest, 1987), and that HRM substitutes, or at least, marginalises the need for trade unions in an organisation (Beaumont, 1986; Fiorito, Lowman & Nelson, 1987; Guest, 1987; Barbash, 1988). However, valid and substantive conclusions have not been forthcoming from the empirical research conducted thus far. In this regard, there is a paucity of research which systematically studies HRM and industrial relations concurrently. This lack of research has continued to propel the interest in HRM as both a management function and a scholarly discipline.

In order to appreciate and understand the nature, complexities, and importance of this topic, a review of the literature on the relevant HRM and industrial relations paradigms is necessary. This is intended to:

(1) Provide a context for the research reported in this thesis, and

- (2) Provide the basis for a deeper investigation into the ideologies underpinning traditional industrial relations and the 'new' HRM environment.

1.2 The Development of HRM

The study and development of HRM has been contrasted with practices such as Taylorism and Fordism (Purcell, 1983). However, the main roots of HRM can be traced to the principles underpinning scientific management, and human relations theories. Proponents of scientific management believed that the "one best way" to design jobs and organise work was to tie employees' wages to their output. By doing so, the interests of the firm and its employees would be rendered compatible, eliminating any potential conflicts of interest between workers and their employers (Kochan & Barocci, 1985).

Dealing directly with the social needs of workers and work groups, was the philosophy underpinning the welfare capitalism or the 'human relations movement'. The expectation was that increased levels of individual and group satisfaction would lead to increased levels of commitment, worker performance and cooperation (Roethlisberger & Dickson, 1939). Although this approach was superseded by 'personnel management', the philosophies underpinning this model were still highly visible in the policies and practices characteristic of personnel management.

To define HRM on the basis of the developments outlined above, overlooks a second set of antecedents - the 'strategic management' and 'business policy' lineage (Kochan & Barocci, 1985). Both of these approaches are sympathetic to the importance of environmental scanning, forward planning and integrating all aspects of managerial action with the business plan, as opposed to 'motivational' aspects of employee relations (Storey, 1992).

1.3 The HRM Model

HRM, as an encompassing ideological framework, is commonly referred to as unitarist and individualistic (Purcell, 1983; Guest, 1989; Storey, 1993). The HRM model is described as unitarist to the extent that it operates on the assumption that no underlying or inevitable differences of interest exist between management and labour (Guest, 1989). It is described as individualistic to the extent that its preference is toward the individual-organisational linkage, as opposed to collective and representative systems (Guest, 1989).

The HRM model, or the 'new' system of industrial relations, is underpinned by three central objectives:

- (1) To secure employee commitment to the organisation and its goals;
- (2) To produce a flexible workforce, and
- (3) To produce a quality workforce (Guest, 1989; Guest, 1991).

The model also comprises policies and practices designed to promote mutuality (Kochan & Dyer, 1992) and shared responsibility (London, 1990). By advancing these objectives, HRM is described as replacing the traditional rigidities in the employment relationship with more flexible and cooperative arrangements (Wells, 1993). To ensure high quality is maintained, considerable attention is given to recruitment and selection; training and development; appraisal, and goal-setting. Job design and quality management practices are also considered essential prerequisites in meeting this objective.

Employee Involvement (EI), Quality of Working Life (QWL) and models of 'teamwork' are the descriptive categories which encompass the wide range of initiatives associated with the HRM model. Within these broad frameworks, typical HRM policies and practices include: improved communication systems, attitude surveys, a separate system of grievance resolution, team briefings, quality circles, job expansion (job rotation, enlargement and enrichment), flexible working practices, skill enhancement (multi-skilling), self-supervised work teams, group problem-solving,

gain-sharing, profit-sharing, collaborative styles of supervision, a wide range of mechanisms for ongoing consultation between labour and management, individual employment contracts, knowledge or skills-based pay, performance-related pay, bonuses, and individualised performance appraisal systems.

1.4 HRM as a Union-Substituting Strategy

The HRM initiatives outlined above have been referred to in the literature in the following ways:

- (1) Being 'anti-union' (Beaumont, 1992; Cradden, 1992);
- (2) Constituting 'unionism without a union' (Streeck, 1987);
- (3) Comprising the necessary elements of a 'union-free' strategy;
- (4) Eliminating the perceived reasons for employee membership into a union (e.g. Bassett, 1988; Streeck 1987), and
- (5) Working as a positive kind of union substitution (e.g. Barbash, 1987, 1988, 1989; Guest, 1989).

It is reasonable to assume, however, that senior managers perceive a number of significant advantages to exist as a result of operating in a union-free organisation.

The literature outlines two broad rationales:

- (1) The perceived ability to pay lower wages than unionised competitors, and
- (2) The ability to make potentially unpopular decisions without facing an organised challenge from the workforce (Flood & Turner, 1993).

In the Irish context, the perception is that the presence of a union leads to inefficiencies (Toner, 1987). These inefficiencies are associated with increased employment costs, restrictions on production, unnecessarily high staffing levels and an adversarial industrial relations climate. This is consistent with senior management perceptions in the American context. As yet, senior management perceptions have not been investigated in the New Zealand setting.

1.5 The Industrial Relations Model

The HRM literature conceives of traditional industrial relations as sustaining collective structures and organisations. Central to the collectivist ethos of this model is the presence of trade unions. The primary role for trade unions under this model is the facilitation of the collective representation of labour in areas such as bargaining, providing a voice function for staff, and a protective device against any arbitrary management behaviour. Inherent in this is the pluralist conception that the interests of capital and labour are dissimilar. It is in this regard that the unitarist orientation of HRM is described as being incompatible with the traditionally pluralist nature of industrial relations (e.g. Guest, 1987).

1.6 The Compatibility of HRM and Industrial Relations

The assertion that HRM and traditional industrial relations may be incompatible paradigms, only illuminates one aspect of this debate in the literature. The remaining issues centralise on:

- (1) Whether or not HRM and industrial relations are similar or distinctive paradigms, and
- (2) Whether or not HRM excludes, marginalises or substitutes for, trade unions.

The proposition that HRM and industrial relations may be similar constructs, relates to the encompassing nature of HRM. In particular, this assertion rests on the contention that the foundations of HRM are derived from a number of different disciplines, including industrial relations. Flood & Turner (1993) argue that both models are concerned with the management of labour, and that the differences are attributable to the perspectives and hierarchical position of the observer, as opposed to any inherent difference in the substance of the observed phenomena (p.646). Storey & Sisson (1993) substantiate this claim by suggesting that increasingly there is a blurring of the boundaries between HRM and industrial relations (p.2). These assertions run contrary to the United States experience (Morley, Brewster, Gunnigle & Mayrhofer, 1996).

1.7 The Perceived Threat to the Trade Union Movement

It is suggested in the literature that HRM holds a danger for trade unionism. Guest (1989) argues that HRM poses a threat to unions in three ways:

- (1) HRM goals are pursued through policies which by-pass unions. For example, management is likely to prefer its own channels of communication, to foster individualised forms of incentive and reward schemes and to control socialization of new recruits very carefully (p.44);
- (2) By practising high-quality management, the need for the union as a protective device against arbitrary management behaviour is reduced (p.44), and
- (3) In non-union plants and new sites, HRM policies will obviate any perceived need to join a trade union (p.44).

With regard to the paucity of empirical evidence in this area, Guest (1989) notes the speculative nature of these assertions. However, academics such as Bain (1989) continue to suggest that the individualistic focus of HRM will render (at least in its pure form) unions unnecessary, or at least marginal (p.5).

In more recent years HRM strategies have become a central concern for trade unions worldwide. This is characterised by the comments of the General Secretary of Britain's largest general union, the Transport and General Workers' Union (T&GWU):

“a new era of crafty Rambo managers has come into existence which seek to ignore or deliberately disrupt union organisation and collective bargaining procedures, by bringing in their own schemes based on fake committees and centred on the individual worker - not the organised worker, with the aim of undermining established working practices and bargaining methods” (in Storey, 1992, p.245).

1.8 The New Zealand Context

With regard to the issues outlined above, there is a paucity of New Zealand opinion in the literature. Therefore, a critical review which sought to validate the import of the literature in the New Zealand context was necessary for this study. Three New

Zealand stakeholders were interviewed – Angela Foulkes, Secretary of the New Zealand Council of Trade Unions (NZCTU); Trevor Hansen, Secretary of the New Zealand Waterfront Workers Union, and Philip Mansor, Secretary of the New Zealand Store and Warehouse Employees Union.

Commenting on the HRM and industrial relations paradigms, Foulkes stated that she believed HRM and industrial relations to be distinctive fields in theory, but in practice, HRM was replacing the need for an industrial relations function (Personal Interview, 1997). This contrasts the views of Hansen and Mansor. Both highlighted a number of differences between the industrial relations function and HRM. They described HRM as:

- Primarily driven by employer initiatives;
- Concerned with representing managements' goals and values to staff, and
- Individualising the employment relationship to instill competition amongst employees in the workplace.

Third party intervention in the employment relationship was considered central to the notion of industrial relations for Hansen and Mansor. In this regard, industrial relations equated with union representation. The primary focus of industrial relations was, therefore, described as representing employee views, concerns and ideas to management (Personal Interview, 1997).

When asked to comment on the objectives of the HRM model, Foulkes stated that she did not believe the main thrust of HRM was union avoidance, substitution or management re-establishing their “right to manage” (Personal Interview, 1997). Instead, she viewed HRM techniques as “just another management coping strategy” (Personal Interview, 1997). This view is dissimilar to the perception that HRM is geared toward managements' attempt to reassert 'managerial prerogative', and the substitution of trade unions (Hansen, 1997).

The assertion that organisations need to have a specialist function capable of interpreting and complying with legislation such as the Employment Contracts Act 1991 (Mansor, 1997), provided common ground for all interviewees. In addition to this, three additional objectives of HRM were also cited:

- (1) To increase bottom-line profits through enhanced productivity;
- (2) To suppress union involvement, and
- (3) The reassertion of managements “right to manage” in the workplace (Mansor, 1997).

1.9 Union Membership in New Zealand

It is well established that the proportion of the workforce which is unionised has declined over the past decade in New Zealand. Specific aspects of these changes include a decrease in the number of unions (from 259 in 1985 to 82 in 1995), and a decrease in the number of union members (from 683,006 in 1985 to 362,200 in 1995) (Crawford, Harbridge & Hince, 1996).

The literature identifies state sector reform, corporatisation, privatisation and general economic and industrial restructuring, as factors effecting levels of unionisation in New Zealand organisations (Crawford, Harbridge & Hince, 1996). Legislative change in particular, is highlighted as the most significant underlying factor (Crawford, Harbridge & Hince, 1996). For example, the '1,000' members rule under the Labour Relations Act 1987 and the abolition of union registration, compulsory unionism and union recognition under the Employment Contracts Act 1991 have all been significant factors in the decline in unions and the drop in union density.

New Zealand trade unionists suggest that it is difficult to disentangle the effects of HRM initiatives on trade unionism and collective bargaining (Foulkes, 1997; Hansen, 1997; Mansor, 1997). The introduction of the Employment Contracts Act 1991, bargaining structures under the Act, the size of New Zealand organisations, restructuring, and the implementation of new technology, are also considered pertinent

factors which can effect levels of unionisation. Although some of these observations are consistent with assertions made in the literature (e.g. Ichniowski, Delaney & Lewin, 1989; Storey, 1993), academic opinion does not discount the introduction of 'progressive' HRM policies and practices as a contributing factor to the steady union decline of trade unionism.

1.10 Management Style as an Alternative Explanation

The effect of management style on industrial relations is another critical area in the literature which is lacking empirical research. There are few investigations exploring management style as an alternative explanation for the substitution thesis. Therefore, the intentions of those implementing the policies and practices have been overlooked as a source of investigation, and as an explanatory vehicle for the declining levels of unionisation in organisations. Consequently, the study of management ideology, style and behaviour in HRM and industrial relations, is in a primitive state. The present study, however, recognises the need and the value of investigating HRM, industrial relations and management style concurrently. Therefore, it is the intention of this study to investigate, among other things, the philosophies, ideologies and strategies of senior managements implementing HRM practices into their organisations.

1.11 A Definition of Management Style

In its simplest form, 'management style' refers to a way of doing something (Legge, 1995). However, where explicit attempts have been made to conceptualise management style, a definition equating 'style' with a modified version of the rationalistic model of strategy can be found (Purcell, 1987). Purcell (1987) contends that 'style' is not something that can be inferred from the outcomes of management and employee interaction. It arises out of the attitudes, beliefs and frames of references of those involved (p.535). In this context, 'style' parallels the conscious choices of management, readily identifiable in the policies and practices of an organisation.

1.12 Models of Management Style

In an attempt to develop a conceptual model of employee relations, Fox (1966) argued that managements' employee relations style can be categorised as being either unitarist or pluralist in orientation. Presented as a simple dichotomy, these two frames of reference diverge on the stance taken towards organisational stakeholders' interests, and conceptions of conflict and power. Managers holding a unitary frame of reference view themselves and their employees as having common interests. In order to achieve these interests, authority and leadership underwrite the unilateral exercise of a managerial prerogative (Legge, 1995). Given this apparent unity, conflict is viewed as dysfunctional. The 'team' concept is, therefore, the most common type of imagery associated with this frame of reference.

From the pluralistic frame of reference, the organisation is seen to contain many separate and competitive interests. It is expected that these different interest groups will bargain and compete in order to gain a share in the balance of power. Therefore, conflict is viewed as normal, and power as the medium for conflict resolution. The imagery most closely associated with this frame of reference is that of a 'coalition', of 'allies' and 'opponents' of power in the bargaining arena (Legge, 1995).

The main differences between the two typologies can be summarised as follows:

- (1) Management's acceptance and recognition of unions;
- (2) Views concerning management prerogative and employee participation, and
- (3) The perceived legitimacy of, and reactions to, conflict at work.

Recognising the simplicity of his original model, Fox (1974) developed his dichotomy to encompass six different patterns of management-employee relations. This new conception identified patterns of management behaviour by combining elements of unitarism and pluralism:

- (1) **Traditional** – where both managers and employees display a unitary frame of reference;

- (2) **Sophisticated Modern** - an amalgam of pluralist perspectives;
- (3) **Sophisticated Paternalism** - a combination of pluralist employers and unitary employees;
- (4) **Classical Conflict** and **Continuous Challenge** - variants of unitary employers and pluralist employees, and
- (5) **Standard Modern** - the result of ambivalent frames of reference within both management and worker groups.

The categorisations outlined above have been used as the basis for much of the industrial relations literature on management style. Purcell (1987) and his colleagues (Purcell & Sisson, 1983; Purcell & Gray, 1986; Sisson, 1989) are the researchers most commonly associated with subsequent attempts to differentiate management styles in employee relations. The first model put forward by Purcell and Sisson (1983) attempted to map management styles in terms of individualism - those policies based on a belief in the value of the individual, and collectivism - the recognition by management of the collective interests of groups of employees in the decision-making process (Purcell & Gray, 1986, p.213). Underpinning their typology was the rationale that individualism and collectivism are not opposites, but two facets of a managerial belief system toward employees. However, with the passage of time, Purcell & Sisson's (1983) 'individualism' and 'collectivism' have been likened with, and used interchangeably with Fox's (1966) unitarist and pluralist approaches. As such collectivism has come to equate with trade unionism, and individualism with non-unionism (Storey & Bacon, 1993).

The model provided by Purcell & Sisson (1983) constitutes another important development in defining management styles in employee relations. As such, the individualist and collectivist model has also been the subject of many subsequent attempts to circumscribe employee relations in an organisation. For example, Purcell & Gray (1986) applied the individualist and collectivist dimensions in an attempt to identify levels of individualism and collectivism in an organisation. Purcell (1987) elaborated on this by defining the two constructs on the basis of 'high' and 'low'

individualism and collectivism. This likened 'high' individualism with treating employees as a resource, and 'low' individualism with treating employees as an exploitable commodity. 'High' collectivism was typified by 'cooperative' relationships with employees' organisations, and 'low' collectivism, by a unitary frame of reference.

Marchington & Parker (1990) went on to develop an alternative set of dimensions focussing on:

- (1) The extent to which management adopt an 'investment-orientation' towards labour. That is, treating employees as a valued resource as opposed to emphasising labour as a commodity, and
- (2) Management's attitudes and behaviour towards trade unions in the workplace. This relates to the extent to which a 'partnership orientation' is pursued as opposed to an overt adversarial approach.

Marchington & Harrison (1991) later questioned the utility of seeking to analyze variations in management styles in the terms outlined above. They concluded that this model failed to come to terms with the 'inherently dual' nature of labour for management, both as a resource for competitive advantage and a resource to be exploited to its maximum potential (p.287).

One of the more recent developments is Storey and Bacon's (1993) 'criteria-based' approach. Storey & Bacon (1993) developed their approach by drawing upon three sets of literature: **(1)** Industrial Relations; **(2)** Work Organisation, and **(3)** Human Resource Management (HRM). Their intention was to construct a device to classify the identification of different patterns of individualistic and collectivist relationships. In doing so, they argued that their criteria proved to be more of a useful vehicle for empirical research, as it is indicative of individualism and collectivism in actual practice (Storey & Bacon, 1993, p.674).

Up to this point, the impetus of academic interest in HRM can be summarised as follows:

- (1) Whether or not HRM and industrial relations are distinctive paradigms;
- (2) Whether or not HRM is a replacement function for industrial relations; and
- (3) Whether or not the HRM function and traditional industrial relations can co-exist in practice.

Adopting this focus has meant that the effect of management style on employee relations and hence, trade unionism, has either been overlooked or discounted as an alternative explanation. Chapter 2 outlines the main studies and themes which have surfaced in the literature. In doing so, the discussion also illuminates this shortfall in the literature.

2.0 LITERATURE REVIEW

2.1 Themes in the Literature

The themes which have emerged in the literature can be categorised in the following way:

- (1) The dual nature of HRM and industrial relations, and the significance of HRM initiatives for the practice of industrial relations in Britain (e.g. Storey, 1993);
- (2) The management of employee relations in high-technology industries in Britain (e.g. Beaumont, 1986; McLoughlin & Gourlay, 1992);
- (3) The impact of HRM policies on union certification rates in Britain (e.g. Fiorito, Lowman & Nelson, 1987);
- (4) The relationship between HRM practices and trade unionism in Europe and the United States (e.g. Freeman & Medoff, 1979, 1984; Kochan, McKersie & Chalykoff, 1986; Fiorito, Lowman & Nelson, 1987; Milner & Richards, 1991; Storey, 1992; Smith & Morton, 1993; Turner, 1994);
- (5) Managerial strategies and values as a source of union decline in the United States (Kochan, McKersie & Chalykoff, 1986; Flood & Turner, 1993), and
- (6) The study of managerial characteristics, values and attitudes toward industrial relations in Britain and the United States (Foulkes, 1980; Poole, Mansfield, Blyton & Frost, 1982).

In addition to these studies, comprehensive literature reviews and models of HRM and industrial relations can also be found (e.g. Guest, 1989; Boxall, 1993).

An area in the literature with very few research contributions is the relationship between HRM practices and trade unionism. Within this literature three possible relationships can be discerned:

- (1) HRM excludes unions, directly and indirectly, through the use of suppression and substitution tactics;
- (2) HRM marginalises union organisation and activities, and
- (3) HRM may be compatible with unionisation.

2.2 HRM as an Exclusion and Marginalisation Strategy

The underlying logic of the 'hard' approach to HRM is considered to be incompatible with the collectivist ethos of unionism (Hyman, 1989). As a result, unions, as an alternative source of employee identification, are either excluded or marginalised. The results of a study by Fiorito, Lowman and Nelson (1987) provide support for this view in an American context. Using a comprehensive index of HRM practices, they concluded that HRM policies and practices do inhibit levels of unionisation, but the impact of specific policies varies considerably (p.124). In Britain, Smith and Morton (1993) reported that it is common policy for employers to implement partial exclusion policies, while recognising their continued right to operate (p.101).

Marginalisation is described as being achieved through the strategic management of critical employee processes (Turner, 1994). For example, the emphasis on direct communication with individual employees obviates the 'voice' function of trade unions. Results from a study examining firms with an explicit HRM approach to the management of labour, provided support for this marginalisation process (Storey, 1992). However, while HRM had the effect of marginalising unions in this study, there was no apparent agenda to displace unions. Instead, it appeared that the unions were crowded out on the basis of other managerial concerns, and the investment in, and commitment to, the HRM paradigm.

2.3 The Compatibility of HRM and Trade Unionism

It is also argued that unions may not necessarily be incompatible with the HRM model (e.g. Kochan, McKersie & Chalykoff, 1986; Turner, 1994). In an analysis conducted by Millward (1990), HRM strategies were found to be commonly associated with unionised settings as opposed to non-unionised workplaces. Similarly, no correlation was found to exist between the incidence of HRM and anti-unionism. In fact the reverse situation was cited - the more anti-union the employer, the less likely were HRM techniques to be employed.

In a study by Kochan, McKersie and Chalykoff (1986), unions were found to facilitate the implementation of new measures in labour management through collective bargaining and the process of joint regulation. This finding goes some way to support the efficiency arguments purported by Freeman and Medoff (1979, 1984). Freeman & Medoff (1984) suggest that unions increase productivity through the provision of a collective 'voice' mechanism, and the 'shock' effect on management engendered by rising wages and the need to remain competitive (p.69).

In a study of UK companies, Milner and Richards (1991) found a significant positive association between companies which recognised unions, and the greater use of employee involvement techniques. They suggest that recognising a union can facilitate the introduction of employee involvement by providing a ready-made organisational and authority structure, among employees (Milner & Richards, 1991, pp.377-90).

A later study conducted by Turner (1994) tested two distinct hypotheses: **(1)** HRM practices inhibit levels of unionisation, and **(2)** unionisation is compatible with HRM practices. However, this study only elicited a 23 percent response rate and it appeared that the HRM practices measured in this particular study had no impact on the levels of unionisation in the organisations involved.

2.4 The Effect of High Technology Industries on Industrial Relations

It is often claimed in the literature that the 'sunrise' industries of the high technology sector are the proponents of the 'new' industrial relations system (Bassett, 1986; Wickens, 1987). Moving beyond a case by case discussion of individual firms, there appears to be a paucity of systematic surveys into the non-union status of high technology firms. Based primarily in Britain and Scotland, five relatively small surveys (e.g. Labour Research, 1983; Cooke, Morgan & Jackson, 1984; Scottish Development Agency, 1984; Cairns, 1985; Morgan & Sayer, 1985) attempted to

examine this phenomenon in greater detail. With one exception, the results of these studies showed an above average level of non-unionism in these organisations.

Contributions made by Beaumont (1986) and McLoughlin and Gourlay (1992) complete the relevant research on non-unionism in high technology industries.

Beaumont (1986) examined two propositions:

- (1) High technology firms are predominantly non-union, and
- (2) High technology firms are characterised by a sophisticated paternalism style of management.

The results produced in this study provided only marginal support for the contention that the sophisticated paternalism management style is predominant in high technology firms. However, the proposition that high technology organisations are predominantly non-union, was supported. A study by McLoughlin & Gourlay (1992) confirmed and provided further empirical support for Beaumont's (1986) second set of findings.

2.5 The Relationship Between Management Style, Strategy and HRM

In a study by McLoughlin & Gourlay (1992), four types of managerial style were constructed along two dimensions: individualism/collectivism, and high/low strategic integration (i.e. Type I: high strategic integration/high individualism; Type II: low strategic integration/high individualism; Type III: high strategic integration/high collectivism; Type IV: low strategic integration/high collectivism). In doing so, it was hypothesised that the Type I management style would be most closely associated with the presence of HRM policies and practices. The relevant conclusions drawn from this study were:

- (1) The Type I managerial style cannot be reduced to an HRM approach,
- (2) The HRM model stresses individualised modes of job regulation, and emphasises high degrees of strategic integration, and

(3) HRM is capable of being developed and implemented in the context of trade union presence (McLoughlin & Gourlay, 1992, p.685).

However, the findings of this study are inherently contradictory. In one instance, unions were marginalised. In another instance, the position of the unions appears to have been strengthened. McLoughlin & Gourlay (1992) suggest that it would be wrong to seek to explain the non-union status of the organisations in their study on the basis of a substitution effect (p.685). Instead, they suggest that their non-union status was likely to be the result of straightforward avoidance or opportunism (McLoughlin & Gourlay, 1992, p.685).

In a study by Kochan, McKersie & Chalykoff (1986), HRM policies, among other factors, were investigated as a potential source of union decline. The results showed a number of things:

- HRM innovations in non-union plants are positively associated with a management strategy that places a high priority on union avoidance;
- HRM is negatively related to the percentage of the firm's current work force organised;
- HRM innovations in unionised plants are negatively associated with a union avoidance strategy, and
- Management innovations such as employee participation and enhanced communication systems, combined with union avoidance strategies, substantially reduce the probability of union organisation in new plants (Kochan, McKersie & Chalykoff, 1986, p.494).

2.6 The Relevant Studies

Various attempts have been made to ascertain the effects of the HRM function on traditional industrial relations organisations and procedures. However, there is a paucity of research with regard to investigations examining the intentions of those implementing HRM policies and practices. To this extent, managerial roles in

industrial relations have been largely evaluated on the basis of unanalysed and under-researched assumptions (Wood & Thurley, 1977).

For the purposes of the research reported in this thesis two relevant studies can be identified in the HRM literature. The first study attempted, among other things, to assess top managements' motivations, values and goals in formulating strategy (Foulkes, 1980). The findings suggest that there are two primary types of top management motivation in companies that are either entirely, or predominantly non-union. The first is described as 'philosophy-laden'. Underpinning this motivation are the well thought out beliefs of management concerning the treatment of employees (Foulkes, 1980, p.45). The non-union status attached to this motivation does not appear to be a goal as such, but rather the result of the successful implementation of that philosophy. The second type of motivation is the 'doctrinaire' philosophy. Senior managers who have made the decision to operate as a union-free organisation, are described as displaying this type of motivation (Foulkes, 1980, p.45). In these companies, outright union avoidance programmes are implemented.

The findings of relevance to this study can be summarised as follows:

- All senior managers interviewed displayed a strong concern about people management and the climate of their organisations.
- Although the character of it was found to vary, there existed among all respondents a strong desire to remain non-union.
- Senior managers took great pride in their non-union status. It appeared to give them prestige in the management community.
- The motivation to stay non-union was propelled by efficiency and an anti-union bias.
- To achieve and maintain their non-union status, all companies devoted substantial time, effort and money to the management of its human resources (Foulkes, 1980, p.56).

The second study conducted by Poole, Mansfield, Blyton and Frost (1982), was designed to elicit, among other things, managerial attitudes toward trade union power, employee participation, and industrial democracy. The results illuminated a distinctive cluster of attitudes revealing considerable opposition to the influence of trade unions over managerial decision making. Poole et al. (1982) suggest these views are compatible with the unitary frame of reference (p.288). This inference was corroborated on the basis of the objections made to the joint determination of rules and rule-making procedures; the views concerning employee participation and industrial democracy, and the clear opposition to any loss of managerial decision making power.

2.7 The Aim

HRM has been characterised in the literature as managements substitution strategy for trade unionism in the workplace. However, upon closer examination, it is evident that this characterisation is supported by a minimal amount of empirical research. Therefore, a study examining the intentions of those who formulate business strategy, and implement corresponding polices and practices, is warranted. Utilising the disclosed and undisclosed values, ideologies, and strategies of senior managers as its base, a study of this nature could also provide a valuable contribution and commentary to a number of other issues evident in the HRM literature.

The aim of the current study was to identify the motivations of senior management in implementing HRM policies and practices into their organisations. Although a host of research opportunities were presented, a study of this nature was considered to add the greatest value to the New Zealand context. On this basis, the following research question was articulated for this study: "Is HRM a substitution strategy for trade union organisation in the New Zealand workplace?". A series of subsequent questions serve to further illuminate the relationship between HRM and industrial relations. Those questions, which are further elaborated in subsequent chapters are:

- (1) Whether or not HRM and industrial relations are similar or distinctive paradigms;
- (2) Whether or not the HRM function and traditional industrial relations can co-exist in practice;
- (3) Whether or not HRM is a replacement function for industrial relations;
- (4) The effect of management style on industrial relations, and
- (5) The sustainability of HRM as a management approach to employee relations in the future.

3.0 METHODOLOGY

3.1 The Research Question

The aim of this study was to determine whether or not HRM is used as a substitution strategy for trade unionism within New Zealand organisations. On the basis of this research question, the researcher is able to provide substantive conclusions regarding, among other things, the implementation of HRM policies and practices, the effects of HRM on traditional industrial relations, and the sustainability of the HRM function as a management approach to employee relations.

The literature review, from which the research question is derived, challenges the methods available and the nature of this research with regard to three issues:

- (1) Informed consent;
- (2) The choice of research instrument, and
- (3) The capacity of the interviewer to go beyond superficial responses in order to elicit replies that would not be normally exposed.

These issues are discussed in greater detail in a later section.

In an attempt to gain a New Zealand perspective on some of the issues raised in the literature review, three union representatives (Trevor Hansen, Secretary of the New Zealand Waterfront Workers Union; Philip Mansor, Secretary of the New Zealand Store and Warehouse Employees Union, and Angela Foulkes, Secretary of the New Council of Trade Unions) were interviewed. These representatives were asked to provide a commentary on the effects of HRM on trade unionism, within both an organisational and national context. These interviews were considered necessary for two reasons:

- (1) To provide the reader with a balanced view of union perception toward HRM, and
- (2) To introduce a New Zealand perspective into the literature.

3.2 Prerequisites for the Sample

Four factors were identified as being critical characteristics for organisations participating in this study. These were:

- (1) The sector from which the organisations were derived;
- (2) Participants' industry;
- (3) Organisational size, in terms of the number of staff employed in each organisation, and
- (4) The position of the respondent interviewed.

Therefore, when formulating this study's sample, a random selection of participants was avoided. This was necessary due to need for particular characteristics to be present in the organisations involved.

3.3 The Population

The population for this study was the private business sector. The private sector was selected for two reasons:

- (1) Most of the relevant studies are based on investigations into private sector companies. Therefore, including public sector organisations in this study would effect the ability to directly compare the results with those discussed in the literature.
- (2) To include public sector organisations is beyond the scope of this thesis. An investigation into public sector organisations warrants the initiation of a separate piece of research. Only then would it be feasible to start drawing comparisons between the two sectors. Until this time, the sectors should remain separate and distinct areas of study.

3.4 The Industry

The Department of Statistics classifies industries in New Zealand into seventeen different categories. These are: Finance and Insurance; Property and Business Services; Government Administration and Defence; Education; Health and

Community Services; Wholesale Trade; Retail Trade; Accommodation; Cafes and Restaurants; Transport and Storage; Cultural and Recreational Services; Personal and Other Services; Communication Services; Agriculture, Forestry and Fishing; Mining; Manufacturing; Electricity, Gas and Water Supply and Construction.

Industry-type was considered a second significant factor for this research. Given the decision to exclude the public sector, principally Government Administration and Defence; Education, and Health and Community Services (it is acknowledged that these industries do incorporate private sector organisations), it was not the intention of this study to provide a statistically representative sample of each of the remaining industries. Instead, the intention was aimed toward constructing a sample that would provide an adequate cross-section of New Zealand business and hence, the New Zealand economy. In doing so, the objective was to produce a combination of qualitative and quantitative data to illuminate issues of substantive significance.

Participants in this study represented the following industries: Accommodation; Cafes and Restaurants; Retail Trade; Wholesale Trade; Property and Business Services; Cultural and Recreational Services; Communication Services; Manufacturing; Electricity, Gas and Water Supply; Mining; Construction and Agriculture, Forestry and Fishing. Industries not represented in this study include Personal and Other Services, Finance and Insurance and Transport and Storage. For a list of the organisations involved refer to Appendix A.

3.5 Organisational Size

Organisational size, in terms of staff employed, was identified as a critical third factor for two reasons:

- (1) The literature suggests that a centralised and established HRM function can be found in medium to large size organisations, as opposed to smaller operations.
- (2) Larger organisations tend to influence the culture and practices of the New Zealand private business sector through the philosophies, models and practices

that they adopt. Large scale private sector organisations have, and have had, substantial input and influence on successive New Zealand Governments, and the economy as a whole (Deeks, Parker & Ryan, 1994). Large organisations are also looked upon as industry and organisational leaders by smaller organisations. Smaller organisations tend to use this as an opportunity to import ideas into their own companies, thereby modeling good practice in HRM (Deeks, Parker & Ryan, 1994).

In order to remain consistent with the definitions provided by the New Zealand Department of Statistics, only those organisations employing over 49 staff were included in this study. By definition, this effectively eliminated all smaller organisations (0 – 49 employees), incorporating those classified as medium (49 – 499 employees) and large (500+ employees) size organisations.

3.6 Positions of Participants

As previously indicated, the aim of this study was to investigate the intentions of those implementing HRM practices into their organisations. In order to elicit this information, it was considered desirable for organisational representatives to hold strategic positions with influence and power. Therefore, participants needed to have the authority, and the ability to directly contribute to the philosophies, planning, models, policies and practices implemented within their particular organisation. On this basis, it was considered a logical and necessary prerequisite that organisational representatives be Chief Executive Officers (CEO's) or Managing Directors.

Human Resource Managers and Personnel specialists were, therefore, excluded from this study. This was based on the reasoning that participants needed to have an appreciation of the interface between HRM and the other functions within an organisation. In this regard, it was important that the HRM function not be viewed in isolation. The positions of CEO and Managing Director require these individuals to have an appreciation of all facets of the organisation, to understand the interplay

between functions, and to have a generalist knowledge of all sections of the organisation. Therefore, the assumption that CEO's and Managing Directors have some understanding of the HRM function, was made.

3.7 Formulating the Sample

Two methods were adopted to formulate the sample for this study. The first involved gaining the assistance and support of the Auckland branch of the Employers and Manufacturers Association. The assistance of this Association was sought for two reasons:

- (1) The size and diversity of its membership, and
- (2) The capacity of the organisation to communicate this research to its members.

For these reasons, the Employers and Manufacturers Association was identified as being a major vehicle to both communicate the objectives of this study, and to recruit participants.

In conjunction with Association representatives, one advertisement was constructed and placed in the Association's Bulletin. Refer to Appendix B for a copy of this letter. The advertisement briefly outlined the study, its significance, and what was involved. It also requested CEO and Managing Director participation from medium to large size organisations in the private business sector. This method yielded four usable organisations out of twenty inquiries.

The second method was to specifically identify key market and industry leaders who would be appropriate participants for this study. Chief Executive Officers of twenty-four (N = 24) major organisations spanning various New Zealand industries, were contacted by letter. For a copy of this letter refer to Appendix C. Within five days of receipt, a follow-up phone call requesting their participation, was made. This method yielded a 75% response rate. Eighteen out of twenty-four senior managers approached offered to participate in this study. Combining the response rates of both these methods, 22 participants formed the sample for this study.

3.8 The Face-to-Face Interview

In order to illuminate the types of issues involved in this study, and to generate reliable, and valid qualitative and quantitative data, an interactive method was required. The interview was first described as a conversation with a purpose (Bingham & Moore, 1924). For the purposes of this study, the interview can be defined as a structured conversation used to complete a survey (Dane, 1990).

3.9 Advantages of the Face-to-Face Interview:

- High response rates with general and specialised samples.
- The researcher has some degree of control over who will be interviewed and, therefore, has the ability to select respondents.
- Provides flexibility in terms of question design.
- Is able to deal with complex research topics successfully.
- Interviewees seem to have a greater tolerance for the length of the interview and a greater tolerance for complex questions.
- The interviewer can ask open-ended questions successfully as they are able to clarify responses, and probe further. Therefore, incomplete answers are avoided.
- Produces far greater success with tedious items, sequence control and screening items.
- An effective method for ensuring responses are based on an accurate understanding of the questions.

3.10 Disadvantages of the Face-to-Face Interview:

- Responses to sensitive or controversial questions can be affected by social desirability considerations.
- Self-presentation bias and interviewer bias are two significant factors that need to be controlled.
- Interviewers need to be trained and competent in order to extract information without exposing the interviewee to any potential bias.

- It is not the most efficient method for data collection, especially where time and cost are considerations, and respondents are geographically dispersed.
- Gaining access to the selected person can be a problem with personal interviews.
- Participants in this study tended to have limited time and were subject to diary changes at short notice. Therefore, accessing a selected person for a certain period of time can be a difficult task.

3.11 Assessing the Methods for Data Collection

On the basis of the relative merits of the methodologies available, the aim of this study, and academic opinion on research methodology (e.g. Black & Champion, 1976; McCracken, 1988; Dane, 1990; De Vaus, 1995), it was concluded that the face-to-face interview was the most appropriate method for the following reasons:

- It produced the fewest constraints in terms of questionnaire construction and question design (De Vaus, 1995);
- The sample size, the research topic, the positions of organisational representatives, the types of questions to be asked, and the need for the scales to be completed, and
- It provided the researcher with enough flexibility to clarify and expand on points in related and unrelated areas.

However, choosing this particular methodology immediately highlighted three implications:

- (1)** The accessibility of organisational representatives
- (2)** Time
- (3)** Cost

The limited number of participants involved in this study was largely due to the extensive commitments and travel plans of these managers. Therefore, time is regarded as a valuable resource to these people. Recognising this, questionnaire construction was considered vital in order to maximum the time, and the opportunity

of meeting with these people in person.

Cost was also another consideration. Choosing the face-to-face interview meant significant time and expense would be involved travelling to each respondents organisation. Participants' organisations were very much geographically dispersed. However, while acknowledging the relative weaknesses of this methodology, it was decided that on the balance of things, it was arguably the most appropriate method for providing reliable and valid data.

3.12 The In-Depth Interview

The interview is described in the literature as asking open-ended questions, listening to and recording answers, and then following up with additional relevant questions (Patton, 1990, p.108). However, the interview is much more than this. It is an important source of qualitative data in evaluation. Interview methods probe beneath the surface, solicit detail and provide a holistic understanding of the interviewee's point of view (Patton, 1990, p.109). They assist in adding an inner perspective to outward behaviours. In this way interviews are a source of meaning and elaboration, as not all behaviours are observable. The interview can be a useful tool to help understand and learn about other people's thoughts, motivations and intentions.

There are three different types of interviews available which can collect qualitative data:

- (1) The informal or non-directive interview;
- (2) The focussed or general interview guide approach, and
- (3) The structured or standardised open-ended interview.

3.13 The Informal Interview

The informal interview relies entirely on the spontaneous generation of questions in the natural flow of the conversation. Most of the questions tend to flow from the

immediate context. Therefore, there are no predetermined set of questions, as the interviewer does not know beforehand precisely what is going to happen, and hence, which questions will be appropriate (Patton, 1990).

The data which is gathered from this type of interview is essentially different for each person interviewed. Therefore, this method allows the interviewer to be highly responsive to individual differences and situational changes (McCracken, 1988). However, it does require a great deal of time to get systematic information. This leaves it open to interviewer effects and biases. Data obtained from this interview method can be difficult to pull together and analyse because of the different questions asked of each interviewee.

3.14 The Focussed Interview

In a partially structured or focussed interview, the interviewer has a list of questions or issues to be explored during the course of the interview. The interviewer poses a few predetermined questions but has considerable flexibility concerning follow-up questions (Dane, 1990). The interview guide provides topics or subject areas about which the interviewer is free to explore, probe and ask questions. The primary emphasis is, therefore, centred on gaining information about the subjective perceptions of respondents.

The advantage of this method is that it makes sure the interviewer has carefully decided how best to utilise the limited time available. It helps make interviewing participants more systematic and comprehensive by delimiting the issues to be discussed in the interview (Patton, 1990). It is also a useful method for conducting group interviews. Although the flexibility inherent in this method allows the interviewer to explore the opinions and behaviours of respondents, it can also work against the interviewer. For example, by using this method each respondent may be asked different questions, thereby eliciting different responses. Comparing candidate responses can then become a very difficult task and will be limited to the

predetermined questions to which all candidates responded to.

3.15 The Structured Interview

This type of interview consists of a set of questions carefully worded and arranged for the purpose of taking each respondent through the same sequence, and asking each respondent the same questions with essentially the same words (Patton, 1990, p.109). Flexibility to probe is significantly limited. This interview method tends to be used when it is important to minimise variation in the questions posed to interviewees. This reduces the bias that can occur from having different interviews for different people, including the problem of obtaining a great deal of data from certain persons while getting less systematic information from others. By controlling and standardising the open-ended interview, the researcher obtains data which are systematic and thorough for each respondent.

The interview questions are written in advance exactly the way they are to be asked in the interview. Therefore, careful consideration is required when constructing each question. This method is particularly useful where it is only possible to interview participants for a very limited period of time (Patton, 1990). This format helps to reduce interviewer effects and interviewer judgements made throughout the interview. It also assists with data organisation, analysis and research replication.

3.16 The Type of Interview Used

The interview method required for the present study needed to be capable of fulfilling the following requirements:

- produce consistency among respondents;
- reduce or eliminate interviewer effects and biases;
- have limited flexibility in order to minimise variation between respondents;
- be able to maximise the limited time available with participants, and
- allow a deeper level of analysis in order to extract the imperatives encouraging the

implementation of HRM policies and practices.

The in-depth structured interview was identified as the most appropriate tool to fulfil these requirements. The decision to utilise this method was justified on the following grounds: it is structured; uses a predetermined set of questions and sequence; has limited flexibility but allows an opportunity to clarify and probe; variation is minimised between respondents; interviewer biases are reduced; systematic information is gained from respondents; it is an appropriate interview method where time constraints are involved; it assists with data organisation and analysis, and as a research method, it allows the interviewer to conduct a deeper level of analysis in order to gain an inner perspective to outward behaviours (Patton, 1990).

3.17 Data Analysis and Methodology

The structured interview was also chosen for one other reason. It was deemed to be the most appropriate method to explore two central themes arising from the literature review - attitudes towards trade unionism, and attitudes toward HRM. It is these themes which formed the basis for the questionnaire constructed for this study.

Qualitative methods such as the interview, are essentially research methods for finding out what people do, think and feel by observing, interviewing and analysing documents (Patton, 1990). The strength of qualitative methods tend to be demonstrated for research which is exploratory or descriptive, and that which stresses the importance of context, setting, and the informants' frame of reference (Marshall & Rossman, 1989; Patton, 1990). Using a predominantly qualitative research method, a greater level of analysis into the attitudes and perceptions of respondents could be made in the relatively limited amount of time available.

Inherent in this study was a degree of methodological pluralism (Bell & Newby, 1977). Eight Likert scales (Dane, 1990) designed to measure management attitudes were also included. To this extent descriptive statistics (i.e. frequency distribution:

mean, median and mode) were identified as the most appropriate form of data analysis for this study. Descriptive statistics are also generally recommended for analysing information from non-representative samples (Dane, 1990).

A predominantly qualitative research method was also selected on the basis that there is a paucity of research in this area. The intention was not to isolate and have predetermined and defined categories before commencing the study, but to isolate and define categories during the course of the study (McCracken, 1988). Quantitative approaches generally require the researcher to construct a fairly representative sample of necessary size and type in order to generalise to the larger population (McCracken, 1988). The level of investigation and the number of cases required for this type of approach was beyond the scope of this thesis. Similarly, the intention of this research was not to construct a representative sample as such, but to gain access to a certain group of individuals who conformed to a set of predetermined characteristics so that their attitudes and perceptions could be explored. Therefore, substantive conclusions were the aim of this study, as opposed to conclusions based on statistical foundations.

3.18 Informed Consent

Dane (1990) defines informed consent as providing potential research participants with all the information necessary to allow them to make a decision concerning their participation (p.40). In the present study, participants received a letter inviting them to take part in the research. Included in this letter was the following information: details relating to the researcher, the general nature of the research, the areas of questioning, the fact that the exact research question could not be divulged, the benefits of participating in this study, and finally, how the information would be handled. For a copy of this letter refer to Appendix C.

Preceding each interview was the verbal delivery of the following information:

- The purpose of the study, but not the exact nature of the research question.
- A full debriefing of the study upon the completion of the interview.

- Participants right of refusal.
- Participants could pull out of the study at any time without explanation or penalty.
- How the information would be used.
- How confidentiality would be maintained.

All participants agreed to have their organisation named in the study. However, three respondents specifically requested that their comments remain detached from their organisation. These participants were assured that the information would not be handled in any manner which would identify them or their organisation. Participants were then offered the opportunity to ask any questions relating to the study. No further queries were made.

Two challenges facing this study were:

- (1) The ability to elicit reliable and valid data from participants, as opposed to socially desirable responses, and
- (2) The danger of 'leading' respondents (Black & Champion, 1976).

The need to uncover information which participants would not generally publicly volunteer was an essential requirement for this study. Therefore, it was critical that the researcher avoid the situation where respondents simply provided 'socially acceptable' replies.

It is recognised that the procedure adopted in this study does not conform to the principles of true informed consent to which participants are entitled (Dane, 1990). However, the need to avoid 'leading' participants in any way was deemed critical. Therefore, a decision was made to give respondents a general overview of the research topic as opposed to a specific one in order to eliminate the introduction of participant biases.

3.19 The Interview Process

A mutually acceptable time and date for each interview was arranged by telephone. One hour was requested to be set aside so that the questions and scales could be

adequately completed. In practice however, each interview lasted approximately one hour and fifteen minutes. All interviews were scheduled to take place on the participants' premises.

It was identified before the interview process began, that it was the responsibility of the interviewer to provide a framework within which participant's could respond comfortably, accurately and honestly. Therefore, the quality of the information obtained during an interview is largely dependent upon the skills and experience of the interviewer. The opening few minutes of the interview must demonstrate to participants that the interviewer is a benign, accepting, curious (but not inquisitive) individual who is prepared and eager to listen to virtually any testimony with interest (McCracken, 1988, p.38). Therefore, establishing rapport with participants was considered vital before commencing the actual interview process itself.

Rapport was established by introducing the researcher and her background, outlining the study and all relevant details and generally making 'small talk' with each participant. The researcher then gave the participant an opportunity to ask any questions or clarify any issues before commencing the interview. This helped to direct the conversation toward the start of the interview. To ease the participant into the interview, simple straightforward questions such as "What is your industry?" and "How many employees do you have in your organisation?" were asked. The interviewer then led the participant through the remaining questions.

The interview process incorporated three parts:

- (1) The researcher asking the participant a set of thirty-one predetermined questions.
- (2) The researcher asking the participant to identify from a list of twenty-nine HRM practices, those in place in the respondents organisation.
- (3) The researcher instructing the participant to complete eight Likert scales.

Participants were initially guided through a set of eighteen questions before being instructed to complete the list of HRM practices and scales. The remaining questions, some of which related to the information they had previously disclosed, were then

completed.

After completing each interview, the researcher thanked the participant for his or her involvement and outlined what was to happen next. Each participant was offered the opportunity to have a copy of the results when completed. All participants expressed interest in obtaining a copy of this research. Dates for completion and distribution were discussed. Participants were then informed of the research question and the issues which solicited this study.

3.20 Eliminating Interviewer Bias

Having had previous training and experience in the field of employment interviewing (e.g. McDonald's Management Development Programmes, four years experience as an employment interviewer, two years training senior McDonald's managers in employment interviewing techniques and one year of Massey University training), the researcher was fully aware of the prompts, leads, comments, body language and facial gestures that may indicate desirable or undesirable responses to an interviewee (Dane, 1990). Therefore, personal opinion, commenting on responses, agreeing or disagreeing with answers, leading questions, indicative body language or facial gestures were avoided. The purpose of the interviewer's communication was to clarify answers, explain instructions or to acknowledge responses (e.g. 'ok.' or 'thank you') before moving on to the next question.

3.21 Recording Participant Responses

Taking into account the straightforward nature and relative simplicity of the questions, the experience of the researcher as an interviewer, and an experienced note-taker, it was deemed sufficient for notes to be taken during the course of each interview. This method has its own advantages. For example, it can create a more relaxed environment for the interviewee. Without the ability to prepare answers, participants may feel pressured having their responses recorded onto an audio device. This may

recreate the tension that the researcher tried to dispel at the beginning of the interview. A number of participants in the present study noted their concern about being voice recorded. In this particular instance, participants seemed to prefer the researcher making hand-written notes.

3.22 Questionnaire Construction

Two general separate themes became evident in the literature with regard to HRM and industrial relations. One related to the effects of HRM on trade unionism and the other, on the aims of HRM as a management function. From these came many – often unilateral - assumptions as to why HRM practices are introduced, based on the potential effects that this function can have. However, no attempt has been made to study the two themes systematically. Therefore, designing an instrument and choosing a methodology that could provide the depth of analysis required to uncover the undisclosed motivations of senior managers implementing HRM practices, was imperative. An in-depth structured interview based on a well-structured questionnaire was considered to have the ability to explore these two themes concurrently.

The questionnaire consisted of a set of thirty-one questions, a comprehensive list of twenty-nine different HRM practices and eight Likert scales. Refer to Appendix D, E and F for a copy these. All questions, scales and practices related to relevant themes and studies in the HRM and industrial relations literature. They also related to the extraction of essential information which would help achieve the aims of this study.

3.23 Attitudes Toward Trade Unionism

The questionnaire was designed in part, to uncover respondents attitudes towards trade unionism. The specific propositions were:

1. *Advantages of Being Non-union:*

Senior managers will perceive a non-union organisation to be more efficient (Foulkes, 1980; Poole, Mansfield, Blyton & Frost, 1982; Toner, 1987).

2. *Previous Union Experience:*

Senior managers who have had previous negative experiences with unions will hold and practice an anti-union philosophy (Foulkes, 1980).

3. *The Role of Unions in the Organisation:*

The role of unions will be kept to a minimum where an anti-union philosophy is held by senior management (Foulkes, 1980).

4. *A Goal to Be Union-Free:*

Senior managers who have had previous negative experiences with unions, and those who hold a generally negative attitude towards trade unions, will have a goal to make their organisations union-free (Foulkes, 1980).

5. *Dual Commitment:*

Senior managers will not believe it is possible for an employee to be equally committed to an employer and a trade union (Guest, 1987).

6. *Non-Union Status as an Achievement:*

Senior managers who either have low levels of unionisation or no unionisation will view this as an achievement (Foulkes, 1980).

7. *Voluntary Unionism:*

Senior managers will argue that unionism should be voluntary (Poole, Mansfield, Blyton & Frost, 1982).

8. Opposition to Managerial Power and Control:

Senior managers will greatly oppose any loss of control or threat to their managerial decision making powers (Poole, Mansfield, Blyton & Frost, 1982).

9. Time, Effort and Money expended on Human Resources:

Senior managers who devote substantial time, effort and money to their human resources and industrial relations issues will have a low level of unionisation (Foulkes, 1980).

These propositions were designed to uncover any anti-union attitudes that maybe held by respondents. Responses oriented around these propositions would, therefore, illuminate disclosed and undisclosed ideologies through the predominant management style in respondents organisations, the HRM model, and associated policies and practices (Foulkes, 1980; Mansfield, Poole, Blyton & Frost, 1982; Flood & Turner, 1993).

3.24 Attitudes Toward HRM

The questionnaire was designed to determine the extent of each respondent's understanding of the HRM function, determine the reasons supporting the implementation of an HRM model, assess the impact of HRM as an employee relations strategy, and determine the sustainability of HRM as a management approach for the future. The specific propositions were:

1. The Advantages of HRM Practices for their Organisation:

Senior management will perceive HRM as a vehicle to create a flexible, quality and committed workforce (Flood & Turner, 1993).

2. Reasons for Implementing HRM Practices:

Senior management introduce HRM practices and policies to circumvent the need for union involvement within their organisation (Guest, 1987).

3. The Effect of HRM on Profit:

Senior management will view HRM as being able to enhance their organisation's profitability (Foulkes, 1980; Guest, 1987).

4. HRM reasserts 'Management's Freedom to Manage':

Senior management will view HRM as an approach which will enhance or reassert their "freedom to manage" (Flood & Turner, 1993).

5. The Involvement of HRM in Formulating Business Strategy:

Senior management perceive HRM as a source of competitive advantage for their organisation (Flood & Turner, 1993).

6. Line Management Involvement in HRM Functions:

Senior management will delegate responsibility for the employment relationship, and HRM practices to line management (McGovern, 1989; Flood & Turner, 1993).

7. Differences between HRM and Industrial Relations:

Senior management will view HRM as a substitute function for the industrial relations function within organisations (Kochan, McKersie & Chalykoff, 1986; Milner & Richards, 1991; Wells, 1993; Turner, 1994).

These propositions are designed to assess the extent to which HRM is viewed as a legitimate management function within an organisation (Flood & Turner, 1993).

Therefore, responses to these questions will substantiate HRM as either a means to substitute unions within an organisation, or a function which can enhance organisational performance, profitability, and competitive advantage.

3.25 List of HRM Policies and Practices

HRM policies and practices tend to centralise around three main objectives – to produce a quality, flexible, and committed workforce (Guest, 1989). However, it has

also been suggested that certain HRM practices can have a further objective, that is, to avoid or substitute trade unionism within an organisation (Guest, 1987; Barbash, 1988; McGovern, 1989).

Practices designed to meet the three primary objectives of HRM have been identified previously in studies conducted by Ichniowski, Delaney and Lewin (1989); Beaumont (1991); Flood & Turner (1993), and Turner (1994). On the basis of these studies, a list of twenty-nine HRM policies and practices were formulated. In developing this list, it was acknowledged that certain attributes of the HRM model would overlap. Refer to Table 3.25.1 for this list. Participants were required to use this list to indicate which HRM policies and practices they currently utilised in their organisations.

Table 3.25.1 List of HRM Policies and Practices

| Item: | 'Quality' HRM Practices: |
|---|---|
| 5 11 12 14 16 17 18 21 25 | Quality Circles operating Multi-skilling Team-briefings Autonomous work groups or increased responsibility give to employees Opportunities for training and development Have a training budget Career ladders in place TQM practices in place Above average expenditure on training |
| Item: | 'Flexibility' HRM Practices: |
| 11 14 22 27 28 29 | Multi-skilling Autonomous work groups or increased responsibility given to Employees Flexible work systems Numerical flexibility Employees' jobs become wider over the years Employees' jobs become flexible over the years |

Table 3.25.1 List of HRM Policies and Practices Continued

| Item: | 'Commitment' HRM Practices: |
|--------------|--|
| 1 | Pay above average pay rates for your industry |
| 8 | Encourage employee involvement |
| 10 | Profit-sharing |
| 12 | Team-briefings |
| 13 | Consultative committees |
| 14 | Autonomous work groups or increased responsibility given to employees |
| 15 | Long term employment security |
| 18 | Career ladders in place |
| 19 | Reward co-operation and productivity |
| 20 | Contracts which aim to 'go beyond' a contract |
| 23 | Relatively high levels of individual employee and work group participation in task related decisions |
| 24 | Employees formally briefed about the strategy and financial performance of their company |
| Item: | 'Substitution' HRM Practices: |
| 2 | Own mechanism for individual expression of grievances |
| 3 | An extensive internal communications arrangement |
| 4 | Conduct attitude surveys |
| 6 | Quality of Work Life (QWL) Programme |
| 7 | Individual employment contracts |
| 9 | Performance or knowledge-related pay system |
| 20 | Contracts which aim to 'go beyond' a contract |
| 24 | Employees formally briefed about the strategy and financial performance of their company |
| 26 | Selection methods that are designed to filter out those people prone to unionisation |

Nine out of the twenty-nine items (e.g. items 5, 11, 12, 14, 16, 17, 18, 21, 25) were categorised as HRM practices designed to enhance the quality of a workforce. Six of the items (e.g. items 11, 14, 22, 27, 28, 29) were categorised as those designed to produce a flexible workforce. Twelve of the items (e.g. items 1, 8, 10, 12, 13, 14, 15, 18, 19, 20, 23, 24) were categorised as procuring a committed workforce, and nine of the items (e.g. items 2, 3, 4, 6, 7, 9, 20, 24, 26) were classified as those which may

have the effect of avoiding or substituting trade unions. As previously identified, some overlap of objectives is inevitable where any attempt is made to categorise practices and policies such as these. However, from this list, participants' HRM policies and practices could be generally categorised as producing either a quality, flexible, or committed workforce, or substituting trade unionism.

3.26 The Likert Scales

The eight Likert scales incorporated in this study represented the quantitative side of this research. These scales were predominantly based on themes relating to management attitudes toward trade unionism. Six of the eight scales replicated those in a study by Poole, Mansfield, Blyton & Frost (1982). Their research focussed on managerial attitudes toward trade union power.

In order to gauge participants attitudes toward trade unions in this study, respondents were asked to express the extent of their agreement on Likert scales with regard to six statements. These statements were intended to elicit respondents' attitudes toward issues such voluntary union membership; the perceived power of unions in New Zealand, and within their own organisation; the effect of unions on the economic interest of New Zealand; the role unions should fulfil, and the type of industrial action unions should be prepared to use. Refer to Appendix F for a copy of these scales.

The remaining two scales focussed on the priority participants give to industrial relations issues within their organisation, and the amount of time, effort and money participants devote to the management of their human resources. Both scales were based on a study conducted by Foulkes (1980). In this study, Foulkes (1980) suggested that the value that an organisation attaches to its employees, and the priority which it gives to industrial relations issues, can help identify the disclosed values of senior management (p.45). Therefore, these scales were viewed as an opportunity to assess the cohesion of respondents disclosed and undisclosed ideologies and values, against the predominant management styles in their organisations.

4.0 DATA ANALYSIS: Attitudes Toward Trade Unions

4.1 The Literature

There are two themes which emerge in the literature that relate directly and indirectly to managerial attitudes toward trade unionism. These are:

- (1) Managerial strategies and values as a source of union decline in the United States (Kochan, McKersie & Chalykoff, 1986; Flood & Turner, 1993) and,
- (2) The study of managerial characteristics, values and attitudes toward industrial relations in Britain and the United States (Foulkes, 1980; Poole, Mansfield, Blyton & Frost, 1982).

The studies conducted by Foulkes (1980) and Poole, Mansfield, Blyton & Frost (1982), provide the main theoretical impetus for the research reported in this chapter.

Research conducted by Foulkes (1980) identifies two primary types of motivation among senior management in large organisations. The first he labels 'philosophy-laden'. Under this philosophy, management has well thought out beliefs concerning the treatment of employees. The non-union status which tends to accompany this philosophy seems not to be a goal as such but rather a result of the successful implementation of this particular set of values (Foulkes, 1980, p.45). Inherent in this philosophy is the view that if management does its job well, employees will feel that a union is not necessary.

The second type of motivation that Foulkes (1980) describes is the 'doctrinaire' philosophy. Under this philosophy, senior management has made the decision to keep the company non-union and has taken steps to implement union-avoidance programmes to ensure this status is maintained. Management in doctrinaire companies view trade union involvement in any organisation negatively. They tend to associate unionism with inefficiency, lack of flexibility and productivity, restrictive work rules, increased resistance to technological change, higher costs, unnecessary third party intervention in the employer-employee relationship, and prohibiting the

ability to experiment with employee relations plans (Foulkes, 1980, pp.58-61). These American perceptions toward trade unionism were confirmed in an Irish study where senior managers suggested that union presence in a firm led to inefficiencies through increased employment costs, restrictions on production, unnecessarily high staffing levels, and an adversarial industrial relations climate (Toner, 1987).

The senior managers interviewed by Foulkes (1980) seemed to take great pride in their non-union status, or relatively low levels of unionisation. It appeared to give them a certain status and prestige in the management community (Foulkes, 1980, p.56). Foulkes (1980) also found that the motivation to become and stay non-union were very much related to an anti-union bias based upon previous negative experiences with unions (p.56). Consistent with this objective was a substantial dedication of time, effort and money to each organisations human resources in an effort to render unions unnecessary.

The second piece of research conducted by Poole, Mansfield, Blyton & Frost (1982) focused, among other things, on managerial attitudes toward union power, employee participation, and industrial democracy. The results of this study reveal a distinctive cluster of attitudes opposing the influence of trade unions over decision making, with particular relevance to their capacity to shape industrial affairs (Poole et al, 1982, p.288). The researchers identified the views of British managers in their study as being consistent with a unitary frame of reference. This inference was largely supported by evidence concerning managerial views on industrial democracy.

From the British, American and Irish studies outlined above, the following inferences can be made: senior managers predominantly hold a unitary ideology in industrial relations. This ideology is reflected in the negative attitude toward trade unionism and the perceived negative effects of unionisation within the workplace. Any loss of control or threat to managerial decision making powers is greatly opposed. In the American context, this is demonstrated by identifiable anti-union strategies and the construction of green field sites (Guest, 1989).

4.2 The Propositions

Nine propositions covering managerial attitudes toward trade unions were formulated on the basis of the literature review. These are:

- (1) Senior managers will view a non-union organisation to be more efficient.
- (2) Senior managers who have had previous negative experiences with unions will hold and practice an anti-union philosophy.
- (3) The role of unions will be kept to a minimum where an anti-union philosophy is held by senior management.
- (4) Senior management who have had previous negative experiences with unions, and those who hold a generally negative perception toward trade unions, will have a goal to make their organisation union-free.
- (5) Senior managers will believe that it is not possible for an employee to be equally committed to an employer and a trade union.
- (6) Senior managers will view low levels of unionisation or no unionisation, as an achievement.
- (7) Senior managers will argue that trade unionism should be voluntary.
- (8) Senior managers will greatly oppose any loss of control or threat to their managerial decision making powers.
- (9) Senior managers who devote substantial time, effort and money to their human resources and industrial relations issues will have a low level of unionisation.

4.3 The Questions and Scales

The questions and scales used in this study were chosen on the basis of their ability to illuminate the propositions outlined above. With regard to the scales, each respondent was required to acknowledge the extent of their agreement toward six statements on five-point Likert scales. Those statements are:

Table 4.3.1 Six Statements Measuring Attitudes Towards Trade Unionism

| | Statements: |
|-----------|---|
| 1. | Trade union membership should be voluntary. |
| 2. | Trade unions are not acting in New Zealand's economic interest. |
| 3. | Trade unions today still have too much power. |
| 4. | All in all, trade unions have more power in our organisation than management. |
| 5. | Unions should be solely concerned with wages and conditions. |
| 6. | A trade union should be prepared if necessary, to use any form of industrial action which may be effective. |

Two additional statements measuring separate issues were also included. These statements asked respondents to identify their organisations priorities with regard to their human resources and industrial relations issues:

Table 4.3.2 Statement Measuring the Time, Effort and Money Devoted to Human Resources

| | Statement: |
|-----------|--|
| 7. | How much time, effort and money would your organisation devote to the management of its human resources? |

Table 4.3.3 Statement Measuring the Priority given to Industrial Relations Issues

| | Statement: |
|-----------|---|
| 8. | What priority do you give to industrial relations issues? |

In addition to these eight statements, nine questions designed to elicit managerial attitudes toward trade unionism were asked:

13. What is the role of trade unions in your organisation?
16. In your view, what is the role for trade unions in New Zealand?
17. What is your view toward trade unions in New Zealand?
20. Do you think an employee can be equally committed to his/her employer as well as being committed to a trade union? Why/Why not?
21. Do you want your organisation to be union-free? Why/Why not?
23. In your opinion, what are the disadvantages of union organisation in a workplace?
26. Have you had previous experience with unions prior to working in this organisation? If yes, how would you describe your experience?
27. Are you proud of your company's non-union status? Do you view it as an achievement? (If applicable)
28. In your opinion, what are the advantages of operating as a non-union organisation?

4.4 The Results of the Questions

Question 13: What is the role of trade unions in your organisation?

As indicated in Table 4.4.1, responses clustered into four main groups.

Approximately one quarter of respondents did not have unions involved in any capacity. Less than one quarter had unions operating in a limited role and in a strategic role, and approximately one half had unions operating as bargaining agent.

Table 4.4.1 The Role of Trade Unions

| Question: | Ratings: | | | |
|--|--------------|--------------|------------------|----------------|
| | No Role | Limited Role | Bargaining Agent | Strategic Role |
| What is the role of trade unions in your organisation? | 23% (n=5) | 18% (n=4) | 41% (n=9) | 18% (n=4) |

The **limited role** identified by four of the respondents, related to unions fulfilling an information sharing and supportive function, free from involvement in contract negotiations. The **strategic capacity** identified by four respondents, related to the direct relationship between unions and senior management. In these organisations unions and management worked together. Unions were involved with organisational planning, participated in management meetings, and provided input into organisational development. The following quotes are illustrative of the views expressed by respondents in all categories:

1. No Role –

- The nature of our industry and the type of staff that we employ are not conducive to unionisation.
- Policies and practices designed to gain employee confidence in management have

ultimately negated the perceived need for employees to join or remain a member of their union.

2. *Limited Role* –

- Unions hold a limited role which is going to steadily decline in the future.
- Unions only fulfil a monitoring role. They are industry and organisational watchdogs, policemen to ensure people are not disadvantaged by management in other organisations.
- They act as an employee's representative in personal grievance cases. It is a goal to keep these to a minimum anyway.
- As management becomes more responsible and accountable for the employment relationship, the need for a union will become non-existent.

3. *Bargaining Agent* –

- Unions operate as our employees advocate in employment contract negotiations.
- Unions are easy to deal with in wage rounds and negotiations as they essentially give us what we are after.
- We let them operate as a bargaining agent but avoid letting them become involved in a strategic capacity.

4. *Strategic Role* –

- Unions are involved in every aspect of our organisation.
- Unions are involved with problem-solving, organisational development and facilitating change.
- They are a partner in our organisation so long as they maintain their current approach and attitude.

Additional analysis revealed three things:

- (1) Unionisation levels ranged from 0% - 90% for the 22 organisations, producing a mean of 35%. Within this range, nine organisations had a unionisation rate of 10% or less. Conversely, eight organisations had unionisation rates of 50% and

higher. This indicates an uneven bipolar distribution of unionisation - organisations were either non-union or highly unionised.

- (2) Staffing levels ranged between 90 – 10,000, producing a mean of 2,671 employees. However, for organisations with unionisation rates of 10% or less, staffing levels ranged between 90 – 1,060, giving a mean of 382 employees. Organisations who were unionised above 50% had staff numbers ranging between 92 – 10,000, producing a mean of 4,124 employees.
- (3) Of the nine who identified unions as having either a limited role or no role in their organisations, eight had a unionisation level of 10% or less. Of the eight who worked with unions at a strategic level, all had union unionisation rates of 50% and above. For these particular organisations, levels of unionisation ranged between 70% and 90%. The remaining organisations who had unionisation rates of 50% and higher, had unions operating in a bargaining agent role.

From this data a trend associating low levels of unionisation, and a limited role for unions in smaller organisations, was illuminated. The implication that larger organisations tend to be subject to higher levels of unionisation is consistent with what the literature suggests (e.g. Deeks, Parker & Ryan, 1994; Legge, 1995). These results could indicate that a unitary frame of reference is more predominant among smaller sized organisations. This would be consistent with research in the New Zealand literature (e.g. Deeks, Parker & Ryan, 1994). Deeks, Parker and Ryan (1994) suggest that smaller organisations tend to have more direct and individual relationships (p.169). Therefore, a unitary style of management tends to flourish in these organisations. This type of relationship is not possible nor practical for larger organisations due to the scope and size of their operations.

Although respondents from large organisations dealt with a trade union, this in itself did not indicate the existence of a pluralist ideology. The involvement of unions was justified on the basis of economic reality and practicality, as opposed to managerial support for the virtues of a pluralist ideology toward industrial relations. These results, therefore, illuminate the existence of a unitary frame of reference among

respondents in this study. This provides a valid explanation for the relatively low levels of union recognition and the desire to have an individualised relationship where possible. Refer to answers given to Questions 23 and 28.

Question 16: In your view, what is the role for trade unions in New Zealand?

Table 4.4.2 The Roles Identified for Unions in New Zealand

| Question: | Ratings: | | |
|---|--------------|--------------|---------------|
| | No Role | Limited Role | A Role |
| In your view, what is the role for trade unions in New Zealand? | 18% (n=4) | 14% (n=3) | 68% (n=15) |

Responses were clustered into three main groups. Nearly two-thirds of respondents identified a clear role for unions in New Zealand. The remaining one-third believed that unions warranted either a limited role or no role at all. The following quotes are illustrative of the opinions held by respondents in these categories:

1. No role –

- Services offered by specialist lawyers and consultants are available, eliminating the need for a trade union as such.
- The concept of third party intervention in the employment relationship is archaic in the environment created by the Employment Contracts Act 1991 (ECA). The ECA promotes direct and individual relationships.
- Society's values and attitudes have generally shifted away from a collective model toward a more individualistic approach. This trend is also encouraged in the employment arena, rendering collective groups such as unions, irrelevant.
- The employment relationship should be a direct relationship. There is no room for any other players.

2. *Limited Role* –

- Unions are only relevant as a bargaining agent for large organisations dealing with collective groups. Apart from this, no other role exists for them.
- It is practical and cost-effective to deal with a union than individuals where positions are of a similar nature.

3. *A Role* –

- Unions are necessary to counteract ‘bad’ employers who abuse their position and power under the ECA.
- They are needed to protect the interests of the weaker sections of the community. For example, non-Europeans.
- Unions are practical for large organisations. It is logical to deal with a collective entity than many on an individual basis.

All fifteen respondents who identified a role for trade unions commented on the irrelevance of the first two points with regard to their own organisations. In doing so, they immediately highlighted the applicability of these issues in ‘other’ organisations. However, upon further investigation respondents could not identify or provide examples of who these ‘other’ organisations might be.

Question 17: How do you view unions in New Zealand?

Table 4.4.3 Respondents’ Views Toward Trade Unions in New Zealand

| Question: | Ratings: | | |
|--|-------------------|----------------|-------------------|
| | Positively | Neutral | Negatively |
| How do you view unions in New Zealand? | 41% (n=9) | 23% (n=5) | 36% (n=8) |

Responses produced three identifiable categories. Approximately one half of respondents viewed unions positively. The majority of the remaining respondents viewed unions negatively. Only a minority reported having no particular opinion. The following quotes demonstrate the opinions of respondents in each category:

1. Positively –

- Unions have undergone drastic changes with regard to their attitude and approach toward management since the introduction of the ECA.
- Unions are more responsible, business-oriented, and have more of a managerial focus in their dealings.
- They are geared toward providing their members with a quality service which represents their members interests as opposed to their own political interests.
- They are more realistic. In being this way they have a greater appreciation of managerial constraints, focus and economic reality.

2. Negatively –

- Unions are a waste of time and a waste of their members money.
- They are irrelevant under the ECA.
- Unions are wasting their members' time and resources trying to identify a role to justify their existence. They simply do not get it – they have no role.
- Unions still hold too much power with large sections of the workforce. This is interfering with the employment relationship and prohibiting it to advance and change.
- Unions are slow to respond to change. They are a ball and chain around our ankles.

3. Neutral –

- Unions are not visible any more - out of sight, out of mind.
- We have to work with unions, we have no choice. It is a way of life for us, we have accepted that fact.
- We have no particular view but we are anti those unions who push for collective

wage bargaining.

- As long as they are not involved in our organisation, I do not care.

Question 20: Do you think an employee can be equally committed to his/her employer and a trade union?

Table 4.4.4 Dual Commitment

| Question: | Ratings: | | |
|--|---------------|---------------|-------------|
| | Yes | No | Unsure |
| Do you think an employee can be equally committed to his/her employer as well as being committed to a trade union? | 50% (n=11) | 45% (n=10) | 5% (n=1) |

Responses formed three categories. Half of the respondents thought it was possible for an employee to have dual commitment. Just under half of the remaining respondents thought it was not possible. The following quotes are representative of each category:

1. 'Yes' –

- Different levels of commitment exist – they are not exactly equal.
- An employee's commitment ultimately presides with the employer. We are the ones who provide the job and pay the wages.
- Union solidarity is not so much of an issue anymore. Employees simply look toward their union as a means to an end - just another service which they pay for. There is no real 'commitment' as such, to a union anymore.
- It is possible because the goals of union and management are closely aligned now. Unions have had to change in order to survive under the ECA. They now operate in the interests of management.

2. *No* –

- Management and unions have philosophically different values, goals and aims.
- Unions have never allowed their members to have dual commitment. Allowing dual commitment undermined the solidarity and strength of a trade union.
- Unions are essentially anti-management. Not enough time has passed for these attitudes to have totally dissipated.
- Unions still hold adversarial qualities. Their old attitudes still exist.
- Being committed to the company's values should be an employee's primary focus.

3. *Unsure* –

- No reason was given.

The distribution of these results is inconsistent with those reported in the literature (Guest, 1987; 1989). They are also inconsistent with the proposition that senior management believe it is not possible for employees to be dually committed to a union and their employer. However, the ten respondents who provided support for this proposition, outlined reasons consistent with those reported in the literature. These centralised on the supposition that traditionally, management and unions have held philosophically different values, goals and aims.

Question 21: Do you want your organisation to be union-free?

Table 4.4.5 The Goal to be a Union-Free Organisation

| Question: | Ratings: | | | |
|---|--------------|---------------|--------------|-------------|
| | Yes | No | Indifferent | N/A |
| Do you want your organisation to be union-free? | 32% (n=7) | 45% (n=10) | 14% (n=3) | 9% (n=2) |

Responses formed four categories. Over one quarter of respondents wanted to be union-free, while almost one half of respondents did not. The remaining respondents were either indifferent to the proposition, or it did not apply to them. Opinions were characterised by the following comments:

1. 'Yes' –

- Management is able to develop better working relationships with staff.
- A more desirable working environment is the result.
- We have failed if employees feel the need to join or remain a member of a union.
- We can run the organisation exactly the way we want to without union interference.
- Staff would be better aligned and committed to the goals of management if a union was not around.
- We should not need a third party to solve our problems.

2. 'No' –

- We have too many staff with similar positions (employee numbers for these respondents ranged between 260 – 8,500, producing a mean of 3,336 staff). It is more expensive for us to deal with thousands of individuals than it is to deal with a single union.

- Unions are more responsible in their dealings with management, and are more accommodating to our needs.
- It is easy to work with unions – they essentially give us what we want.
- Unions are necessary for those sections of society who can not represent themselves. We do not mind dealing with unions for this reason.
- There is little value having specific policies and practices designed to eliminate union involvement. The framework provided by the ECA, together with the changing nature and values of society, means that through a process of evolution, levels of unionisation are automatically declining. It is a waste of time to devote special management attention to this issue.
- Our practices are not specifically designed to be anti-union but if management do things right; have the right practices, culture and management style, employees will not see a need to join or remain a member of a union. If they do, this is a clear signal to us that we have failed in some way.
- We measure our managements' effectiveness by the level of unionisation within each department.
- It is possible to work with three parties, depending on the unions aims and expertise.
- We have the employment practices we want in place, and union attitudes are good at the moment.
- We deal with a responsible union, we have a good relationship. If this was to change we would want to be union-free.

3. Indifferent –

- We believe we are a fair employer. We have specific policies and practices in place which are designed to show this.
- We are confident that our management style, values and ability to form good relationships with our staff, eliminate any need for employees to join or remain a member of their union. It just so happens that a by-product of our policies and practices are declining levels of unionisation.

- Natural attrition in our workforce is producing a declining rate of unionisation for us.
- The framework provided by the ECA is automatically producing declining levels of unionisation.
- Changing societal values and attitudes are resulting in lower levels of unionisation.
- It would be inconsistent with our managerial values if we tried to influence our staff to change their minds about their union membership.

4. Not Applicable –

- Our industry has never been unionised.
- The people involved in our organisation are not prone to unionisation. They are extremely talented, highly-skilled employees with specialised knowledge.

The assertions made by Group 1 respondents strongly suggest the existence of a unitary frame of reference. This is consistent with the proposition that senior management will greatly oppose any loss of control or threat to managerial decision making powers (Poole et al., 1982). Respondents in this category viewed unions negatively. This is an essential prerequisite for the adoption of a union-substituting philosophy, and subsequent policies and practices. The comments made by these respondents were also consistent with those constituting a ‘doctrinaire’ philosophy (Foulkes, 1980). This philosophy is conducive to union avoidance policies and practices being implemented on the basis of a negative union perception.

Quotes from respondents in Group 2 do not show an overt anti-union philosophy, although implicit in their responses was the desire to be union-free. These respondents seemed content with the fact that natural attrition, and changing values and attitudes were producing declining levels of unionisation over time, negating the need for active management intervention. These results also suggest the existence of a ‘philosophy-laden’ approach. The philosophies, management style, policies and practices implemented in these organisations had the effect of minimising trade union involvement.

The fact that ten respondents did not want their organisations to be union-free, does not suggest a pluralist frame of reference. Issues of practicality, logic and economic viability presented themselves as the main motivators to have unions remain within these organisations. This is a situation which has never arisen or been considered in the literature before. Clearly these respondents can not be classified as unitarist or pluralist, as their underlying motivations do not satisfy the conditions of either ideology. Their impetus suggests the existence of expedient pluralism.

Neither anti-union or pluralist in their stance, respondents forming Group 3 were arguably 'philosophy-laden'. They had well thought out beliefs concerning the management style, values, policies and practices in place in their organisations. Although not overtly intending to avoid unions, the inherent philosophy underlying their motivation has the effect of union minimisation if management does its job well. Therefore, the essential by-product of this is declining levels of unionisation.

Question 23: In your opinion, what are the disadvantages of union organisation in a workplace?

Recognising that some respondents had more than one reply to this question, total responses totaled 48. The frequency of responses produced the following results:

1. Third party intervention in the employment relationship (8)
2. Slows responsiveness to change (4)
3. Unions strive for commonality, status quo, mediocrity. They do not allow the individual to be recognised (4)
4. Distractions and interruptions (4)
5. Distorts and breaks down communication between staff and management (4)
6. Costly (3)
7. Reduces flexibility (3)
8. No disadvantages (3)
9. Limits management's freedom (2)

10. Reduces individual responsibility and accountability (2)
11. Narrow focus on the short-term (2)
12. Curtails multi-skilling (1)
13. Unions get in the way of a participative management style (1)
14. Unrealistic expectations (1)
15. Unions hold opposing views to management with regard to how the organisation should be run (1)
16. Increased restrictions and boundaries (1)
17. They focus on the negative, not recognising the good things that we have done (1)
18. It is difficult to agree on issues (1)

The reasons outlined by respondents in this study were consistent with those reported in previous studies (Foulkes, 1980; Poole et al., 1982; Toner, 1987). Respondents primarily viewed unions as an obstacle to procuring an individualised employment relationship. The proposition that senior managers would view a non-union organisation as a more efficient operation was supported by the comments of respondents.

Question 26: Have you had previous experience with unions prior to this organisation? If yes, how would you describe your experience?

Sixteen respondents in this study had had a previous experience with a union. Of these respondents, twelve classified their experience as being primarily negative. An analysis of these respondents produced the following results:

- Six respondents did not want to be union-free.
- Four respondents wanted their current organisation to be union-free.
- Two respondents stated that unions were not relevant in their organisation.
- Six respondents had not had previous experience with a union.

On the basis of these results, support was not forthcoming for the proposition that senior management who have had previous negative experiences with unions will have a goal to be union-free.

Question 27: Are you proud of your company's non-union status? Do you view it as an achievement?

This question was relevant to only twelve respondents (55%):

- Over half (7) of these respondents viewed this status as a notable achievement. Although this figure does not appear to be too significant, this result does provide some support for the proposition that senior managers will view low or no unionisation as an achievement.

The following quotes are illustrative of respondents in this category:

- It proves we have a good relationship with our staff.
- It shows employees have confidence in us.
- It is a real achievement, we have achieved our goal.
- Absolutely delighted with our non-union status. It is a real achievement.

The remaining five were indifferent toward their low levels of unionisation:

- It was not a specific goal for us. It just turned out that way.
- We can not take credit for our low levels as it was not planned.
- Low levels of unionisation has more to do with the introduction of the ECA, changing societal values, and the economy, as opposed to our own concerted efforts.

Question 28: In your opinion, what are the advantages of operating as a non-union organisation?

From the 22 respondents came 56 replies. A frequency listing of responses produced the following results:

1. Flexibility (8)
2. Able to reward individual performance (6)
3. Can form a better relationship with staff (5)
4. Able to respond to change quickly (4)
5. Management can implement change at own discretion (4)
6. Can implement individual employment contracts (4)
7. Direct communication with staff (4)
8. Employment contracts in place which reflect the needs of both parties (4)
9. Able to push for individual accountability (3)
10. Managers become responsible for managing the employment relationship (2)
11. Management do not have to answer to anyone (2)
12. Enhanced productivity (2)
13. Free from distraction and interruptions (2)
14. No advantages (2)
15. Skilled workforce (1)
16. Committed workforce (1)
17. Save money (1)
18. Align employees to the goals of management (1)

Contrasting the results produced in Question 23, were the responses elicited by this question. Respondents were not inclined to directly associate increased efficiency with non-unionism. To this extent, little support was given to the proposition that senior managers will perceive a non-union organisation as a more efficient operation.

However, two themes did emerge among the responses given by senior managers:

- (1) Operating as a non-union organisation enhanced the flexibility of staff, and
- (2) Operating as a non-union organisation enhanced the ability to procure a direct and individual employment relationship with staff.

4.5 The Results of the Scales

Table 4.5.1 Senior Managements' Attitudes Toward Trade Unionism

| Statements: | Ratings: | | | | |
|---|---------------------------|---------------|--------------|--------------|------------------------|
| | 1 Strongly Disagree | 2 Disagree | 3 Unsure | 4 Agree | 5 Strongly Agree |
| Trade union membership should be voluntary. | 0% | 0% | 0% | 14% (n=3) | 86% (n=19) |
| Trade unions are not acting in New Zealand's economic interest. | 5% (n=1) | 27% (n=6) | 41% (n=9) | 18% (n=4) | 9% (n=2) |
| Trade unions still have too much power. | 0% | 50% (n=11) | 41% (n=9) | 9% (n=2) | 0% |
| Trade unions have more power in our organisation than management. | 59% (n=13) | 27% (n=6) | 0% | 0% | 14% (n=3) |
| Unions should be solely concerned with pay and conditions. | 36% (n=8) | 32% (n=7) | 18% (n=4) | 9% (n=2) | 5% (n=1) |
| A trade union should be prepared if necessary, to use any form of industrial action which may be effective. | 68% (n=15) | 5% (n=1) | 9% (n=2) | 14% (n=3) | 5% (n=1) |

Scale 1: Trade union membership should be voluntary:

As highlighted in Table 4.5.1, all respondents either strongly agreed or agreed with this statement. This may be attributed to respondents objective to procure an individualised employment relationship with staff. Refer to responses produced in Questions 23 and 28. Such a relationship allows a more tailored agreement to be formed between the parties. Academics would argue that this type of relationship affords management the opportunity to implement union avoidance policies and practices (Guest, 1989). Therefore, these results provide overwhelming support for the proposition that senior managers prefer trade union membership to be voluntary.

Scale 2: Trade unions are not acting in New Zealand's economic interest:

Table 4.5.1 illustrates that 27% (6) of respondents generally agreed with this statement, 31% (7) generally disagreed, while 41% (9) were unsure. This result provides support for responses given in Question 17 regarding managerial views toward trade unionism in New Zealand. Forty one percent of respondents (9) had stated in this question that they viewed unions positively because of their changed attitude and more realistic, business-oriented approach. Although the exact same numbers were not elicited here, 32% (7) still maintained their positive view toward unions. The remainder seemed to shift to the 'unsure' category. Respondents who previously viewed unions negatively (36%) shifted their opinion slightly on this scale. Nine percent (2) moved from the 'negative' category to the 'unsure' category. However, the overall results of this scale remained consistent with those elicited in Question 17. Therefore, the position that respondents generally do not hold a negative view toward trade unions was maintained.

Scale 3: Trade unions today still have too much power:

Table 4.5.1 highlights that 9% (2) of respondents agreed with this statement, 50% (11) disagreed, with a further 41% (9) being unsure. These results are again consistent with those produced in Question 17. Although respondents generally acknowledged

the ECA and voluntary unionism as weakening the trade union movement, half of the respondents still maintained that trade unions hold too much power.

Scale 4: All in all, trade unions have more power in our organisation than management:

This scale relates to the proposition that senior managers will greatly oppose any loss of control or threat to managerial decision making powers. Table 4.5.1 illustrates that 14% (3) of respondents strongly agreed with this statement. The remaining nineteen respondents did not. Eighty six percent (19) of respondents stated their power and control was not under any threat by a trade union. This could be attributed to the fact that only 18% (4) of respondents had unions operating in a strategic role in their organisations. Forty one percent (9) either had a limited role or no role for unions, while the remaining 41% (9) worked only with unions in the capacity of bargaining agent. To this extent, these results provide support for the proposition outlined above. On the basis of these results, it can also be stated with confidence that managers in this study minimised the extent to which their power and control may be effected by either limiting or eliminating third party intervention in the employment relationship.

Scale 5: Unions should be solely concerned with pay and conditions:

Table 4.5.1 shows that 14% (3) of respondents generally agreed with this statement. Fifteen respondents (68%) generally disagreed, leaving 18% (4) who were unsure. Comparing these results to responses provided in Question 13, an interesting paradox is presented. At least 68% (15) of respondents concurred that unions should operate in a capacity greater than bargaining agent. This suggests that a preference for unions to operate in a strategic role exists. However, in reality, only 18% (4) of respondents had unions operating at such a level. Therefore, the proposition that managers will greatly oppose any loss of control or threat to managerial decision making power, was supported.

The results of this scale show the existence of a valid paradox between what respondents think is philosophically correct, and what they view as being commercially viable. They also provide another example of the contradiction inherent in this theme - the difference between respondents 'ideal' situation for other organisations, and the appropriate situation for their own organisation.

Scale 6: A trade union should be prepared if necessary, to use any form of industrial action which may be effective:

Table 4.5.1 illustrates that 19% (4) of respondents agreed with this statement, a further 73% (16) disagreed, while the remaining 8% (2) were unsure. Taken together, 81% (18) either disagreed or were unsure as to whether unions should use industrial action which may be effective for their cause. These results provide further support for the proposition that managers will greatly oppose any loss of control or threat to managerial decision making power.

Scale 7: How much time, effort and money would your organisation devote to the management of its human resources?

Table 4.5.2 Time, Effort and Money Devoted to Human Resources

| Statement: | Rating: | | | | |
|--|---------------------|----|------------------------------|---------------|-------------------------|
| | 1 Not Devoted | 2 | 3 Factor of Production | 4 | 5 Primary Concern |
| How much time, effort and money would your organisation devote to the management of its human resources? | 0% | 0% | 9% (n=2) | 55% (n=12) | 36% (n=8) |

From Table 4.5.2 the mean amount of time, effort and money devoted to respondents human resources was 4.3 on a five-point Likert scale. This is substantial with regard to a five-point scale. However, no relationship was found to exist between the amount of time, effort and money spent on respondents human resources and the level of unionisation. Therefore, the proposition that senior managers who devote substantial time, effort and money to their human resources will have a low level of unionisation, was not supported.

Scale 8: What priority do you give to industrial relations issues?

Table 4.5.3 Priority Given to Industrial Relations Issues

| Statement: | Rating: | | | | |
|---|-------------|-------------|--------------|--------------|--------------|
| | 1 Lowest | 2 | 3 Average | 4 | 5 Highest |
| What priority do you give to industrial relations issues? | 5% (n=1) | 9% (n=2) | 14% (n=3) | 41% (n=9) | 32% (n=7) |

From Table 4.5.3 the mean priority given to industrial relations issues by respondents was 3.9 on a five-point Likert scale. This indicates that an above average priority was allocated to these issues, but did not justify the highest level of priority being designated. When analysing the level of priority given to industrial relations issues and levels of unionisation, no clear patterns were found to exist. Therefore, a relationship between the two was not evident. Hence, the proposition that senior managers who devote substantial time and effort to industrial relations issues will have low levels of unionisation, was not supported.

4.6 Summary of Findings

A more detailed discussion of these findings can be found in Chapter 6. For the purposes of this chapter, however, a summary of findings in relation to the propositions is presented.

- A trend associating low levels of unionisation with smaller organisations was illuminated. In these organisations, unions operated in a very limited capacity. For example, 23% (5) had no role while 18% (4) operated in a limited role. The implication in the literature that larger organisations tend to be subject to higher levels of unionisation was supported here.
- A unitary style of management was found to be predominant among smaller organisations in this study. However, this did not mean that larger organisations who involved unions, operated on the basis of a pluralist ideology. Unions were justified on the basis of cost and practicality. This indicated the existence of expedient pluralism among respondents in larger organisations.
- Respondents greatly opposed any loss of control or threat to managerial decision making power. This was illustrated by the following examples: the limited role unions held, the role respondents envisaged for unions in New Zealand, the extent to which respondents thought unions should use industrial action to achieve their goals, and the low level of power unions held in each respondents' organisation. These results indicated a strong unitary frame of reference among respondents.
- A paradox was evident with regard to respondents' views towards trade unions, the desire to be union-free, and the extent to which employees can have dual commitment. Most respondents viewed unions favourably, did not want to be union-free, and thought it was possible for an employee to be dually committed. However, all these assertions had predetermined conditions and situations applied. For example:
 1. Respondents viewed unions positively because they were management-oriented, business-focussed and more realistic in the dealings and demands. So long as this attitude and approach was maintained, respondents were happy to deal with the union;

2. Respondents thought it was possible for dual commitment to exist as unions did not pose a significant threat to them. Union solidarity was no longer an identifiable issue because an employees commitment ultimately presides with the employer;
 3. Respondents did not see the need to solicit a union-substituting strategy on the basis of the following reasons: it was too costly for them; unions were accommodating managements needs; management had the terms, conditions and practices in place that they wanted; the ECA, changing societal values, and natural attrition were automatically producing declining levels of unionisation.
- Although the majority of respondents did not display an overt anti-union attitude, underlying their assertions was an implicit desire to be union-free. These respondents were quite content to let the framework provided by the ECA, changing societal values and attitudes, and natural attrition within their workplace, continue to produce declining levels of unionisation. However, the policies and practices in place in these organisations could be described as being implicitly anchored around union minimisation. In this respect, respondents in this study were able to classified as either ‘doctrinaire’ or ‘philosophy-laden’.
 - The main disadvantage respondents associated with union involvement in the workplace was third party intervention in the employment relationship. This illuminates managerial opposition toward any potential loss of control or threat to their decision making power. This also highlights the existence of a unitary ideology among respondents in this study.
 - Increased flexibility and an individualised employment relationship were identified as the main advantages of operating as a union-free organisation. An essential by-product of this situation was managerial autonomy in the organisation, and to a lesser extent, within the employment relationship. The fact that all respondents thought unionism should be voluntary provided further support for the contention that respondents desired a direct and individualised relationship with their staff.
 - A contradiction was apparent where respondents generally believed that unions should operate in a capacity greater than bargaining agent. The majority of respondents had unions operating in a limited role. However, for the most part,

respondents thought that a strategic role was appropriate in other organisations, so long as the union did not pose any great threat to managerial control or decision making power. The paradox of ‘what is right for other organisations is not necessarily right for us’ was a predominant theme throughout this chapter.

5.0 DATA ANALYSIS: Attitudes Toward HRM

5.1 The Literature

There is a paucity of empirical research examining managerial attitudes toward Human Resource Management (HRM). The only studies which have dealt with the fields of HRM and industrial relations together, have done so by focussing on two themes. These are:

- (1) The dual nature of HRM and industrial relations, and the significance of HRM initiatives for the practice of industrial relations in Britain (Storey, 1993) and,
- (2) The relationship between HRM practices and trade unionism in Europe and the United States (Freeman & Medoff, 1979, 1984; Kochan, McKersie & Chalykoff, 1986; Fiorito, Lowman & Nelson, 1987; Milner & Richards, 1991; Storey, 1992; Turner, 1994).

For the purposes of this chapter, the study conducted by Storey (1993) provides the most relevant theoretical base with which to illuminate the findings reported in this chapter.

Human Resource Management, as an encompassing ideological framework, is commonly referred to as unitarist and individualistic (Guest, 1989; Storey, 1993). It is unitarist to the extent that management assume no underlying or inevitable differences between their own goals, and those of their employees. It is individualistic in the sense that HRM practices emphasise the individual-organisational linkage as opposed to collective systems of representation. The “stated” objectives underpinning the HRM model are:

- (1) to secure employee commitment to the organisation;
- (2) to produce a flexible workforce, and
- (3) to produce a quality workforce (Guest, 1989).

Taken together, these objectives have been described as having the effect of replacing traditional rigidities in contractual relations with more flexible and co-operative arrangements (Wells, 1993).

The distinction between the fields of HRM and industrial relations was originally heightened due to their perceived incompatibility. Human Resource Management was commonly associated with attempts to redefine the meaning of work, work systems and the way individual employees relate to their employers. Industrial relations, on the other hand, was predominantly characterised by collective organisation and representation within the workplace. Two central propositions have since emerged in the literature with regard to this 'incompatible/compatible' dichotomy. These are:

- (1) HRM and industrial relations are similar constructs. They are two terms which are both concerned with the management of labour. Any perceived difference is more a result of the perspective and hierarchical position of the observer, than any inherent difference in the substance of the observed phenomena (Storey & Sisson, 1993; Flood & Turner, 1993). The two concepts should not be seen in opposition but as different perspectives on the same process (Brewster, 1995);
- (2) The industrial relations collectivist ethos is incompatible with HRM, particularly with regard to the hard version of HRM (Hyman, 1989). As a result, unions, who are an alternative source of employee identification, are either excluded or marginalised. The results of American and British studies provide support for the view that HRM policies adversely effect unionisation (Fiorito, Lowman & Nelson, 1987; Smith & Morton, 1993).

The objectives of the HRM model, together with results of studies such as those outlined above, support the proposition that HRM practices are anti-union (Beaumont, 1992; Cradden, 1992), and are a positive kind of union substitution (Barbash, 1987, 1988, 1989; Guest, 1989). These commentators view HRM as the substitution of employee commitment practices for the traditional industrial relations structures of union recognition and collective bargaining. By practicing high quality management, having separate channels of communication, and pushing for individualised relationships, incentives and rewards, it is suggested that unions will become unnecessary (Guest, 1989).

From the literature outlined above, the following inferences can be made: HRM is based on the same foundations as those underpinning the unitary frame of reference; it is essentially an individualist model; HRM practices centralise around three main objectives: to produce a committed, quality and flexible workforce; HRM practices have the effect of minimising and substituting unions, rendering HRM and industrial relations as incompatible disciplines.

5.2 The Propositions

Seven propositions covering managerial attitudes toward HRM were formulated on the basis of the literature review. These are:

- (1) Senior managers view HRM as a vehicle to create a flexible, quality and committed workforce. For a definition of these terms, refer to the literature review in Chapter 1.
- (2) Senior management introduce HRM practices and policies to circumvent the need for trade union involvement within their organisation.
- (3) Senior management view HRM as being able to enhance their organisation's profitability.
- (4) Senior management view HRM as an approach which will enhance or reassert their "freedom to manage".
- (5) Senior management view HRM as a source of competitive advantage for their organisation.
- (6) Senior management will delegate responsibility for the employment relationship, and HRM practices, to line management.
- (7) Senior managers view HRM as a substitute function for the industrial relations function within organisations.

5.3 The Questions and List of HRM Policies and Practices

As with Chapter 4, the questions and list of 29 HRM practices selected for this chapter were chosen on the basis of their ability to illuminate the propositions outlined above. The questions were designed to elicit respondents' understanding of HRM, the level at which the HRM function operates, the reasons for HRM implementation, and the perceived benefits of HRM practices.

With regard to the list of 29 HRM practices, each respondent indicated those practices currently in place in their organisation. The 29 attributes were included to measure the extent to which HRM practices designed to produce a flexible, quality and committed workforce, were utilised among respondents. These formed three clusters with a fourth, referred to as 'substitution' practices, completing the list. In addition to this list of practices, nine open-ended questions designed to elicit managerial attitudes toward HRM were asked:

9. What does HRM mean to you?
10. Do you think HRM and industrial relations are the same thing? Why/Why not?
11. Does your organisation have a formalised HRM policy? Why/Why not?
14. How involved are line management in HRM practices?
15. Is the HRM department involved in formulating your organisation's business strategy? Why/Why not?
18. In your opinion, what are the advantages or benefits of the HRM practices in place for your organisation?
19. Why did your organisation implement these particular HRM policies and practices?
22. Do HRM practices help improve bottom-line profit?
25. Do you think HRM enhances or reasserts "management's freedom to manage"?

5.4 The Results of the Questions

Question 9: What does HRM mean to you?

Four clusters were identified. Nearly half of the respondents viewed HRM as a strategic function, highlighting the ‘hard’ version of HRM. Over a quarter saw HRM as fulfilling an operational role, dealing with day-to-day activities. Approximately a quarter viewed HRM as a function central to employee well-being. This particular perception of HRM echoed images of the welfare/human relations movement and the ‘soft’ side of HRM. The remaining respondents held a predominantly negative view of HRM. The following quotes are illustrative of the opinions of respondents in each of the four categories:

Table 5.4.1 The Meaning of HRM

| Question: | Ratings: | | | |
|----------------------------|--------------------------|----------------------|---------------------|-------------|
| | Human Relations/Soft HRM | Operational Function | Strategic/ Hard HRM | Nothing |
| What does HRM mean to you? | 23% (n=5) | 27% (n=6) | 41% (n=9) | 9% (n=2) |

1. Welfare Approach/‘Soft’ HRM:

- HRM is designed to ensure the well-being of the people we employ. The emphasis is geared toward people development and training, providing good benefits and ensuring we have a satisfied workforce.
- HRM is about people enjoying coming to work and enjoying their work environment. It also relates to providing good employee benefits.
- HRM is looking after your staff like you would a member of your family.
- It is catering for the individual and their relationship with the organisation, and resolving employee needs within the confines of the venture.

- It is about influencing the operating environment so that people will want to come to work.

2. *Operational Function:*

- Conducting the day-to-day activities such as hiring and firing.
- Involved with selecting the right people for the organisation now and in the future.
- Ensuring we have the right people in the right places.
- Matching the potential of the workforce to the processes in place.
- Providing guidance for management on the day-to-day aspects of the employment relationship.
- Ensuring contractual compliance with relevant legislation and advising line management.
- Ensuring our organisation has the right skills to achieve our overall aims.

3. *Strategic/'Hard' HRM:*

- Managing our key asset – people, in order to maximise their worth and productivity.
- Adding value in a strategic sense. HRM is a partner in our business in order for us to maximise the potential of our organisation's most major cost – people.
- HRM keeps a well-trained and motivated workforce. This ultimately enhances the profitability of our organisation.
- We use HRM to get closer to our staff, to fill the gaps where a union is not an appropriate forum.
- To motivate people in order to get value for money in terms of the investment we have made in our staff.
- To tap into the full potential of our human resources like you would any other resource in a business. It is about maximising people's value to the business.
- It is a strategic issue designed to ensure we have the right workforce in the future to meet our business needs.

4. *Nothing:*

- HRM means nothing to us. It is an old fashioned description representing management attitudes of the 1980s. It is purely a staff function, not a strategic management direction.
- It is a function which separates managers from managing their people. It centralises the power away from line management. HRM departments are a lot like unions – they get in the way of the direct relationship between staff and management. HRM is unnecessary. It is stuck in a time warp.

These results show that three very distinct interpretations of HRM exist. The most predominant among respondents is the strategic, or ‘hard’ version of HRM. The strategic aim focuses attention on integrating all aspects of managerial action with the business plan. This interpretation of HRM is consistent with the proposition that senior managers view HRM practices as a vehicle to enhance their organisation’s profitability.

Identifying the ‘human’ as a ‘resource’, the ‘hard’ version of HRM stresses managing people in as ‘rational’ way as any other factor of production (Storey, 1992). Its emphasis is central to maximising employee productivity, value and worth so that the organisation benefits from optimum return on employee performance. It also follows from this approach that those implementing HRM are opposed to trade unionism (Cradden, 1992). Unions are said to set up an alternative focus for employee loyalty, embody the notion of collective rather than individual work relations; and limit the exercise of the management prerogative (Cradden, 1992). These are all elements which unitarism abhors. On this basis, these respondents can be described as operating on the basis of an anti-union philosophy. Therefore, the proposition that senior managers introduce HRM practices to circumvent the need for trade union involvement in their organisations was supported by this category of respondents.

Results from the remaining respondents (13) do not outwardly appear to provide support for the proposition that senior managers perceive HRM as a vehicle to create a

flexible, quality and committed workforce. These respondents tended to take either an operational view, or welfare approach to HRM. However, it has been identified in the HRM literature that implicit in the welfare/human relations movement is the intention to deal more directly with the social needs of workers and work groups (Kochan & Barocci, 1985). The expectation behind this is that increased levels of individual and group satisfaction will lead to increased levels of commitment – as opposed to unthinking compliance, to the firm (Roethlisberger & Dickson, 1989).

Securing employee commitment to the organisation has been described in the literature as problematic for trade unions. Commitment-type practices have the effect of eroding the solidarity of workers. This is perceived to be the main strength underpinning the union movement (Guest, 1989). On this basis, respondents adopting a welfare/human relations approach, or ‘soft’ version of HRM, may be described as implicitly utilising HRM practices to circumvent the need for trade union involvement within their organisations. It may also be said that respondents view HRM practices as producing a committed and productive workforce. Therefore, the proposition that senior managers view HRM as a vehicle to create a flexible, quality and committed workforce, was partially supported by approximately one quarter of respondents in this study.

From the results outlined above, it can be assumed that respondents displaying a ‘soft’ approach to HRM implicitly hold an anti-union philosophy. This proposition is supported by the fact that ‘soft’ HRM practices pose just as much of a threat to the traditional structures of industrial relations as ‘hard’ HRM (Cradden, 1992). Soft HRM practices subtly undermine collective bargaining; subvert union control over internal labour markets, erode worker solidarity, and by-pass long-established methods of information transmission via shop stewards. This approach is often accompanied, if not always overtly or even deliberately, by the marginalisation of trade unions (Cradden, 1992). Therefore, the proposition that senior management introduce HRM practices to circumvent the need for trade union involvement in their organisations, was implicitly supported by this category of respondents as well.

**Question 10: Do you think HRM and industrial relations are the same thing?
Why/Why not?**

Table 5.4.2 The Similarity of HRM and Industrial Relations

| Question: | Ratings: | |
|--|--------------|---------------|
| | 'Yes' | 'No' |
| Do you think HRM and industrial relations are the same thing? Why/Why not? | 14% (n=3) | 86% (n=19) |

Nearly all respondents in this study viewed HRM and industrial relations as separate functions. Respondents firstly presented their understanding of HRM, followed by a description of industrial relations. The following quotes are illustrative of the perceived distinctions:

HRM:

- HRM is concerned with the well-being of staff, the non-technical side of the employment relationship.
- It is about people development – looking after your staff.
- HRM is concerned with catering for the individual's needs within the boundaries of the operation.
- HRM is a positive function which helps the organisation to be a 'better than average' employer. That is, without any industrial relations issues. It helps us to be one step ahead of other employers.
- HRM is a proactive function designed to eliminate industrial relations problems and disputes.
- HRM is an operational day-to-day function which prevents problems with unions.
- HRM guides management in dealing with people, training, development, career plans, equity, and equal opportunity. These are all issues where a union could become involved if we were perceived to be unfair.

- HRM deals with all aspects of dealing with everyone in the company – union and non-union. Therefore, unionised employees get the same fair treatment as non-union staff. This should show them that we are a fair employer.
- HRM is a facilitative role based upon an individual relationship with staff.
- HRM is about matching the potential of staff with the processes in place in the organisation, and having the right people at the right time so that the organisation can achieve its goals.
- It is a proactive function which eliminates potential problems. If we get HR right, we will not have a problem with industrial relations. It also ensures that we have the right workforce now and in the future so we can achieve our aims.
- HRM is focused around aligning people to the organisation's plan, and having enough people in order to achieve those plans.
- HRM covers a full spectrum of issues such as people development, employee relations, attracting recruits, rewarding and shaping behaviours.
- HRM is a centralised function which provides support and advice to line management.
- HRM is bureaucratic and administration oriented. It centralises around pay rates, career ladders, training and development.

Industrial Relations:

- Industrial relations is concerned with the technical side of the employment relationship. For example, contracts, terms and conditions of employment, and unions.
- Industrial relations is irrelevant. It is a function of the past which involved unions, third party intervention and collective bargaining.
- Industrial relations is centred around the contractual relationship between owners of capital and their employees.
- It is a clinical sounding approach to managing the employment relationship. It has severely negative connotations attached to it. Good industrial relations should flow from HRM practices.

- Industrial relations is centred around disputes, personal grievances, contract negotiations and third party intervention. It delivers the contract structure as a vehicle to achieve other HRM activities.
- Industrial relations is simply a subset of HRM.
- It is concerned with ensuring we have the correct pay and conditions for our staff, and that we comply with contractual terms.
- Industrial relations is the responsibility of line management.
- Industrial relations is concerned with union and management battles. It is an adversarial, confrontational relationship with unions in negotiations.
- Industrial relations for us means maintaining relations with the union so that the company can progress.
- Industrial relations is a disappearing discipline. There is an assumption that there is a distinction between management and labour. Is this valid anymore in today's environment?
- Industrial relations is about conflict resolution. You find that you will not have industrial relations problems if you have HRM policies and practices in place. Industrial relations should be in harmony if you have good HRM policies.
- Industrial relations is one component of HRM. A component which deals with unions and contract negotiation.
- Industrial relations is an archaic term relating to the rights of workers – the rights of the underclass. This is not appropriate anymore.
- Industrial relations is one part of HRM. It is dealing with the unionised workforce, negotiating with unions and basically any activity which involves dealing with unions.
- It is about applying employment contracts to your workforce.
- It involves collective bargaining, unions and a control-type mentality. It signifies an adversarial relationship.
- Industrial relations conjures up very negative connotations about unions, conflict, problems, strikes. It is a negative thing for 'bad' employers.
- Industrial relations is about managing unions.

- It is about reacting to a problem. If you get HR right, you will not have a problem with industrial relations.

Four identifiable themes emerged from the nineteen respondents who suggested a distinction between HRM and industrial relations. They are:

- (1) Industrial relations is perceived negatively. It is confrontational, adversarial, revolves around conflict, strikes and a 'control' mentality (3).
- (2) Unions and third party intervention are central to industrial relations (8).
- (3) Industrial relations is a subset of HRM. The implementation of HRM policies and practices will ensure good industrial relations (5).
- (4) Industrial relations is an archaic term and an historic function (3).

All four of these themes identify industrial relations with union involvement in the employment relationship. This is an association which is looked upon negatively by respondents in this study. By outwardly acknowledging their negative perception of the industrial relations function, HRM was positively perceived as a proactive function. Respondents also commented that if implemented, HRM practices had the ability to eliminate industrial relations problems and issues. In effect, these respondents were admitting that HRM is a positive form of union avoidance and substitution, without expressing it in these terms.

The majority of respondents believe that there is a clear distinction between the fields of HRM and industrial relations. However, upon further investigation, it is apparent that this distinction is not defined by the operational tasks involved with each discipline, but rather by the appropriateness of their roles under the environment created by the ECA. In other words, HRM was viewed as a proactive and positive model, appropriate for the environment created by the ECA. Traditional industrial relations was not. Therefore, it can be said that respondents view HRM as a separate function which has replaced the need for industrial relations. This claim is supported by comments associating industrial relations with history, irrelevance and archaism. It is also supported by descriptions of HRM as a function which eliminates industrial

issues, and provides support to those directly responsible for the employment relationship - line management.

The 'distinction' outlined above is consistent with the opinions of the minority for this particular question. Here, respondents provided the following explanations justifying their perception of the similarities between HRM and industrial relations:

- (1) Industrial relations is a subset of HRM.
- (2) HRM is a modern term for industrial relations.
- (3) Good industrial relations will flow from HRM practices.

The overall results for this question are inconsistent with those reported in the literature. Respondents did not appear to view the two disciplines as being concerned with the management of labour. They were more inclined to associate industrial relations as managing unions, as opposed to labour. HRM, on the other hand, was viewed as a modern function replacing the need for traditional industrial relations structures. In this scenario, the results are consistent with the assertions made by commentators such as Guest (1989). Guest (1989) pronounced HRM and industrial relations as being incompatible paradigms due to the inherent differences in the ideologies underpinning each model (p.43). The results are also consistent with the proposition that senior managers view HRM as a function replacing traditional industrial relations in organisations.

Question 11: Does your organisation have an HRM policy? Why/Why not?

Table 5.4.3 The Existence of an HRM Policy

| Question: | Ratings: | |
|--|-----------------|--------------|
| | 'Yes' | 'No' |
| Does your organisation have an HRM policy? Why/Why not? | 77% (n=17) | 23% (n=5) |

Two clusters were identified. Three-quarters of respondents had an HRM policy in place, the remaining quarter did not. In terms of the second part of this question, twenty-two respondents elicited 46 responses. Those who reported that their organisation had an HRM policy provided the following rationales:

1. It is good for business (6 respondents)
2. To be a good employer (5)
3. To ensure the productivity of staff.
4. To maximise the value and output of staff (4)
5. It ensures people are treated fairly (4)
6. Clarifies expectations (4)
7. Labour costs are a large cost which needs to be managed effectively (3)
8. Provides guidelines for management (3)
9. Aligns people to the organisation's goals, culture and values (3)
10. Improves consistency (2)
11. Minimises employee problems (2)
12. Produces teamwork (2)
13. Enhances competitive advantage (2)
14. Puts responsibility for the employment relationship back with line management (2)
15. Provides for individual accountability and responsibility (1)
16. It helps improve the overall well-being of staff (1)
17. It helps us identify what kind of people we want in our organisation (1)
18. To let staff know where we are going (1)

Respondents who did not have an HRM policy provided the following justifications:

- We eliminated our HRM department. They became too powerful due to their centralised nature of their function.
- We do not practise HRM. It does not fit in with our organisational development and learning philosophies. It is an archaic term of the 1980s.
- "Policy" is too fixed. We need to remain flexible in order to cope with change and move with trends. We run on a business need. Therefore, our policies remain in

our heads, but we communicate them well.

It seems evident from responses elicited in the first category that the main thrust behind HRM policy implementation is profitability. These results are therefore consistent with the assertion that HRM is an identifiable source of competitive advantage (Guest, 1989, p.43). Further, they provide support for the proposition that senior management perceive HRM policies and practices as having the ability to enhance the profitability of their organisations.

Question 14: How involved are line management with HRM practices?

Two identifiable clusters emerged from respondents' answers to this open-ended question. Well over three-quarters of all respondents had line management conducting their own HRM practices. Less than one quarter had line management involved in a capacity of less than 100%.

Table 5.4.4 Line Management Involvement in HRM Practices

| Question: | Ratings: | |
|--|-------------------------|-----------------------------|
| | Totally Involved | Over 50% Involvement |
| How involved are line management with HRM practices? | 86% (n=19) | 14% (n=3) |

The following quotes are illustrative of the opinions of respondents in each category:

1. Totally Involved:

- Line management are responsible and accountable for the employment relationship. Not a third party of any kind.
- HR provides a support function to line management.
- HRM is an administrative function for line management.

- HR provides expert advice and guidance to line managers. It is line management who are solely accountable for the employment relationship in our organisation.
- HR fulfils an advisory function. They consult to line management.
- We do not have an HRM department. Total responsibility for the employment relationship automatically lies with line management.
- HR is a resource for line managers.
- The HR department sets the policies and practices but line management carry out the functions.

2. Over 50% Involvement:

- Line managers have a great deal of involvement with HRM practices, and it is still growing. HR is being positioned to become a consultancy service to line management.
- Line management are very involved. We are working toward a position of total involvement. In this situation HR will provide a support function to line management.
- We are currently trying to make our HR manager redundant. Therefore, all HRM functions will be done by line management.

These results provide support for the proposition that senior managers will delegate responsibility for the employment relationship and HRM practices, to line management. The results are also consistent with assertions in the literature which illuminate the importance of line management involvement in HRM. McGovern (1989) identified line management involvement in HRM as being critical to the successful implementation of HRM strategic plans and policies (p.65). Specifically, it was stated that each manager should be expected to be his or her own personnel manager, supported by a large personnel department (McGovern, 1989, p.65). In this scenario, the HRM department would act in an advisory capacity to ensure consistency is maintained throughout the company.

The literature suggests that decentralising the HRM function has been associated with the following advantages:

- (1) The more involved line management are in HRM practices, the more committed they will be to the HRM function.
- (2) The greater the involvement of line management, the greater the implementation of HRM strategy. Involvement and commitment practices need to be managed on a daily basis. They cannot be achieved through specialist HR managers. Line management who practice HRM, effectively filter the policies and philosophies of the organisation to employees on the shop floor. This allows HRM policies and philosophies to be enacted on a daily basis (Wood, 1995).
- (3) Line management are best positioned to create trust and confidence with employees. This aids the development of individualised employment relationships. Line managers can monitor the employment relationship, effect the relationship, and identify changes which need to be made.
- (4) The more involved line management are, the greater the control over industrial relations issues. This enables the HRM department to respond quickly to change (Kochan, McKersie & Chalykoff, 1986).

The most obvious effect of these ‘advantages’ is union avoidance. Making each line manager a personnel manager encourages a unitarist and individualistic philosophy at all levels within the organisation. Therefore, by decentralising the HRM function, respondents implicitly provided support for the proposition that senior managers view HRM as a function which replaces industrial relations. Similarly, it also provides support for the proposition that senior managers view HRM as circumventing the need for trade union involvement within their organisations.

Question 15: Is the HRM department involved in formulating your organisation’s business plan? Why/Why not?

Three clusters were identified. Over half of the respondents involved the HRM department in business plan formulation, just under a quarter did not. The remaining

four were excluded on the grounds that no discrete HRM department was identified in these organisations.

Table 5.4.5 HRM Involvement in Business Plan Formulation

| Question: | Rating: | | |
|---|----------------|--------------|--------------|
| | 'Yes' | 'No' | N/A |
| Is the HRM department involved in formulating your organisation's business plan? Why/Why not? | 59% (n=13) | 23% (n=5) | 18% (n=4) |

From the thirteen respondents who included the HRM department, 27 replies were elicited. The following is a frequency distribution of their reasons for inclusion:

1. Staff are a major cost in our organisation (10)
2. To order to build a successful company (4)
3. So we can utilise our human resources more effectively and productively (4)
4. The HRM department acts as a 'voice' for staff (2)
5. People straddle all departments in the organisation and so does the HRM department. HR helps us keep our finger on the pulse (1)
6. Helps us get the right people doing the right things (1)
7. Helps us align our people to the organisation's plan (1)
8. Creates the right foundation for staff contribution (1)
9. Helps us to identify the type of people our organisation needs to attract (1)
10. We have difficulty retaining people during restructuring. The HRM department helps us through these periods (1)
11. HRM helps us develop a plan to ensure we have well trained staff. This is critical to our success (1)

'No':

- The HRM department is not an appropriate function to include. They are not involved with the trading side of the business.
- The HRM department is not listened to. We have autonomous business units who do their own thing.
- The HRM department helps to facilitate the plan but they are not involved in creating that plan.
- The HRM department helps to implement the plan. They are not included in developing the plan because they are not a business driver.
- We are planning on incorporating the HRM department in formulating our business plan in the future.

The reporting relationships, status and influence of the HRM department say much about senior management's perception of HRM in an organisation (Foulkes, 1980). They can indicate the extent to which HRM is perceived as a legitimate business partner; business driver, and source of competitive advantage, thereby warranting input at the highest strategic level. Conversely, they can indicate whether or not HRM is merely an operational function, a means to an end, or a proxy for the undisclosed strategies of senior management.

The results indicate that over half of the senior managers in this study valued the role and contributions of their HRM departments. Their inclusion in strategic planning seemed to be underpinned by reasons of cost minimisation and control, the need for a well trained and productive workforce, the need to maximise return on investment, and the desire to produce a successful and competitive company. To a certain extent, this summation provides support for the proposition that senior management view HRM as a source of competitive advantage for their organisations. It also goes some way to support the proposition that senior managers perceive HRM practices as having the ability to enhance the profitability of their organisations.

To a lesser extent, the results contained the elements which underpin the HRM model – the objectives of creating a quality, committed and flexible workforce. Although respondents did not specifically associate inclusion with by-passing trade unions, this maybe an implicit underlying intention. The fact that the essential by-product of their impetus is potentially union substitution, is indicative of this. However, the proposition that senior managers view HRM as a function to replace industrial relations was not explicitly supported by these particular results.

5.5 The Results from the List of HRM Policies and Practices

Table 5.5.1 List of HRM Policies and Practices

| Item: | 'Quality' HRM Practices: |
|--------------|---|
| 5 | Quality Circles operating |
| 11 | Multi-skilling |
| 12 | Team-briefings |
| 14 | Autonomous work groups or increased responsibility give to employees |
| 16 | Opportunities for training and development |
| 17 | Have a training budget |
| 18 | Career ladders in place |
| 21 | TQM practices in place |
| 25 | Above average expenditure on training |
| Item: | 'Flexibility' HRM Practices: |
| 11 | Multi-skilling |
| 14 | Autonomous work groups or increased responsibility given to Employees |
| 22 | Flexible work systems |
| 27 | Numerical flexibility |
| 28 | Employees' jobs become wider over the years |
| 29 | Employees' jobs become flexible over the years |

Table 5.5.1 List of HRM Policies and Practices Continued

| Item: | 'Commitment' HRM Practices: |
|--------------|--|
| 1 | Pay above average pay rates for your industry |
| 8 | Encourage employee involvement |
| 10 | Profit-sharing |
| 12 | Team-briefings |
| 13 | Consultative committees |
| 14 | Autonomous work groups or increased responsibility given to employees |
| 15 | Long term employment security |
| 18 | Career ladders in place |
| 19 | Reward co-operation and productivity |
| 20 | Contracts which aim to 'go beyond' a contract |
| 23 | Relatively high levels of individual employee and work group participation in task related decisions |
| 24 | Employees formally briefed about the strategy and financial performance of their company |
| Item: | 'Substitution' HRM Practices: |
| 2 | Own mechanism for individual expression of grievances |
| 3 | An extensive internal communications arrangement |
| 4 | Conduct attitude surveys |
| 6 | Quality of Work Life (QWL) Programme |
| 7 | Individual employment contracts |
| 9 | Performance or knowledge-related pay system |
| 20 | Contracts which aim to 'go beyond' a contract |
| 24 | Employees formally briefed about the strategy and financial performance of their company |
| 26 | Selection methods that are designed to filter out those people prone to unionisation |

As outlined in Table 5.5.1, the list of HRM policies and practices were divided into four categories: commitment, flexibility, quality and union substitution. Respondents were required to complete the list at this point as the remaining questions were based upon responses elicited from this list. The use made of each practice, relative to the number of overall practices available in each category, produced the following results:

- (1) Flexibility (mean=5 out of a possible 6)
- (2) Quality (mean=7 out of a possible 9)
- (3) Substitution (mean=6 out of a possible 9)
- (4) Commitment (mean = 8 out of a possible 12)

1. Flexibility:

Within this category, the following practices were found to be most commonly used by respondents:

Table 5.5.2 Flexibility Practices Most Commonly Used

| Type of Practice: | Number of Respondents |
|---|------------------------------|
| Multi-skilling | 19 |
| Autonomous work groups or increased responsibility given to employees | 19 |
| Employees jobs become wider over the years | 19 |
| Employees jobs become more flexible over the years | 18 |
| Flexible work systems | 14 |
| Numerical flexibility | 11 |

It is commonly cited in the literature that the ruling maxim of the HRM model is flexibility (Barbash, 1988). Flexibility involves making labour costs more responsive to market conditions. The effect of this is to replace wages as a fixed cost within a defined unit, to a variable cost within the organisation. One of the advantages associated with producing a flexible workforce is that a two-tier labour supply is created. One is a disposable, temporary pool of labour, designed to replace part of the other - the full-time labour force.

Fragmenting the employment relationship and the workforce, is acknowledged as facilitating flexibility. It allows management to expand and contract the labour supply almost at will, unencumbered by contract impediments of income and job guarantees, seniority, separation allowances, fixed job descriptions and overhead fringe benefits (Barbash, 1988). The aim is to eventually achieve a just-in-time workforce, sufficient enough to meet current market demands. Therefore, as suggested in the literature, within the general scheme of HRM, numerical flexibility seems to be one of the most important objectives of management.

The results are consistent with the objective outlined above. That is, to create flexibility within the workforce. While the importance of multiple-skilled, autonomous and productive employees and work groups was recognised among the majority of respondents in this study, the relative advantages of numerical flexibility were not. Half of the respondents indicated that numerical flexibility formed part of their HR strategies, but had it as the lowest ranking factor. However, the overall results provide support for the proposition that senior management perceive HRM as a vehicle to create a flexible workforce. Support was also forthcoming for the proposition that senior managers view HRM practices as enhancing the profitability of their organisations. This was demonstrated by the fact that central to the practices utilised by respondents were enhanced productivity, increased performance, value for money, efficiency, return on investment and lowered costs.

2. Quality:

Listed below are the type of quality practices most commonly identified by respondents in this study:

Table 5.5.3 Quality Practices Most Commonly Used

| Type of Practice: | Number of Respondents |
|---|------------------------------|
| Opportunities for training and development | 22 |
| Have a training budget | 22 |
| Autonomous work groups or increased responsibility given to employees | 19 |
| Multi-skilling | 19 |
| Team-briefings | 18 |
| TQM practices | 17 |
| Above average expenditure on training | 13 |
| Have career ladders in place | 11 |
| Quality circles operating | 11 |

The central tenet behind the adoption and implementation of quality practices is the desire to create competitive advantage. This is achieved by enhancing the organisation's product and/or service (Schuler & Jackson, 1987). Implicitly related to this aim is the operation of a co-operative model of employee relations. Participatory schemes designed to break down the authoritarian, hierarchical nature of "Taylorist" work towards a more co-operative organisational format, are critical in meeting this objective. The rationale is that increased employee participation and involvement will result in more flexible work rules and shared responsibility between the 'team'. This will, in turn, increase morale, co-operation between labour and management, productivity and economic prosperity (London, 1990).

To ensure high quality is maintained, considerable attention is given to the specific technical skills, knowledge and abilities employees need, for the organisation to achieve its competitive strategy. Therefore, extensive training and development of staff, job design, a high concern for quality, relatively planned career paths for

employees, involving staff in workplace problems and decisions, and management practices which secure commitment and enhance employee motivation, are all practices commonly associated with creating competitive advantage.

Consistent with the objectives outlined above are the results produced by respondents in this study. The existence of a training budget, and a culture supportive of staff training and development in every organisation, was indicative of this. Similarly, the autonomy afforded to work groups, the increased responsibility given to individuals, the practice of multi-skilling, and priority given to keeping the 'team', illustrated a culture conducive to producing a quality workforce. These results tend to suggest that people make the difference in creating competitive advantage. Therefore, the proposition that senior managers perceive HRM as a vehicle to create a quality workforce, was supported.

3. *Substitution:*

Practices most commonly used by respondents were:

Table 5.5.4 Substitution Practices Most Commonly Used

| Type of Practice: | Number of Respondents: |
|--|-------------------------------|
| Employees formally briefed about the strategy and financial performance of their company | 21 |
| Performance or knowledge-related pay system | 20 |
| Individual employment contracts | 20 |
| An extensive internal communications arrangement | 20 |
| Own mechanism for individual expression of grievances | 19 |
| Conduct attitude surveys | 15 |
| Contracts which aim to 'go beyond' a contract | 14 |
| Quality of Work Life programme | 6 |
| Selection methods which are designed to filter out those people prone to unionisation | 1 |

HRM practices have been described as senior management's strategy for union substitution (Guest, 1987; Barbash, 1988). Recognising the importance and need for equity among employees in the workplace, and the fact that if management do not meet the needs of employees, they may seek third party intervention, senior management effectively 'buy out' union proneness. In other words, HRM practices are implemented so that management can deal directly with the worker and his or her needs, obviating any need for union representation (Barbash, 1988). This process has been described as posing a threat to unions in two major ways:

- (1) Management preferring its own channels of communication; fostering individualised relationships; rewards and incentives, and controlling the recruitment, selection and socialisation process of new recruits carefully; and
- (2) Management practicing high-quality leadership styles, negating the need for a protective device against arbitrary management behaviour (Guest, 1989, p.42).

The results illuminate the preference of the majority toward a direct, open and individualised relationship with their staff. This is illustrated by formal briefings with regard to the business plan and financial status of the organisation, individualised incentive schemes, individualised employment relationships, extensive internal communication systems in place, and separate mechanisms for the resolution of disputes. Conducting regular attitude surveys ensures any industrial relations issues are eliminated before they become an issue. Generous contracts demonstrate to employees that their management team is fair, equitable and trustworthy. Taken together these practices have the effect of replacing the perceived need for unions in the workplace. Only one respondent in this study went so far as to implement selection procedures which were specifically designed to filter out candidates who are prone to unionisation.

On the basis of these results, it can be said that senior managers introduce HRM practices to circumvent the need for trade union involvement within their organisations. This claim is supported by two factors: **(1)** the by-product of these practices is the replacement of the perceived need for union involvement, and **(2)** the formulation of a direct and individualised relationship with staff. Both of these are prerequisites for a union substitution strategy.

4. Commitment:

Respondents were identified as using the following commitment practices:

Table 5.5.5 Commitment Practices Most Commonly Used

| Type of Practice: | Number of Respondents: |
|--|-------------------------------|
| Encourage employee involvement | 21 |
| Employees formally briefed about the strategy and financial performance of their company | 21 |
| Autonomous work groups or increased responsibility given to employees | 19 |
| Team briefings | 18 |
| Relatively high levels of individual employee and work group participation in task related decisions | 16 |
| Contracts which aim to 'go beyond' a contract | 14 |
| Reward co-operation and productivity | 14 |
| Pay above average pay rates for your industry | 13 |
| Consultative committees | 13 |
| Have career ladders in place | 11 |
| Profit sharing | 11 |
| Long term employment security | 7 |

The goal of employee commitment is to develop in individual employees a feeling of commitment to their job and the organisation. More specifically, it is concerned with the development of attitudinal commitment – the relative strength of an individual's identification with, and involvement in the organisation (Mowaday, Porter & Steers, 1982). This type of commitment is characterised by a strong acceptance, belief and allegiance to the organisation's goals and values; a willingness to exert effort on behalf of the organisation, and a strong desire to maintain membership in that organisation (Guest, 1987). The rationale behind this is that committed employees

will be more satisfied, more productive, more adaptable, have longer tenure and have a greater willingness to accept change.

A range of sophisticated HRM policies designed to cultivate employee loyalty and identification to the company, exist. These can be categorised as:

- (1) Employee remuneration and welfare;
- (2) Terms and conditions of employment;
- (3) The employment relationship; and
- (4) Communication systems.

Each of these broad categories can contribute to a culture which values a high degree of employee commitment to, and identification with, the company. The encompassing philosophy is that “the company is not anti-union but pro-employee” (McGovern, 1989). At an abstract level, it is argued that this approach is centred around an individualist model of employee relations. As identified in previous chapters, this model is considered to be incompatible with the collective ideology and practices of trade unions.

The results are similar to those outlined above. The majority of respondents reported an attempt to elicit employee commitment through the implementation of practices designed to encourage employee involvement and participation. Consistent with this was the fact the respondents also relied heavily on extensive communication systems and remuneration systems. The by-product of these systems is essentially an informed, participative, satisfied, motivated and productive workforce. Therefore, these results provide support for the proposition that senior managers perceive HRM as a vehicle to create a committed workforce.

Securing employee commitment and allegiance to the organisation can also entail a diminution of loyalty to an employee’s trade union. In this respect, high-commitment practices maybe a proxy for union substitution strategies. To this extent, further

support is provided for the proposition that senior managers view HRM as a vehicle to circumvent the need for trade union involvement within their organisations.

As a whole, the results suggest that respondents implement HRM practices with the intention of producing a flexible and quality workforce. This is partially consistent with the literature which identifies flexibility as one of the ruling maxims of the HRM model (Wells, 1993). The second type of reform most commonly associated with HRM packages is inculcating employee allegiance to management and organisational goals. For respondents in this study, commitment-oriented practices were utilised the least. This result was inconsistent with this particular conception of HRM reported in the literature.

The fact that flexibility and quality-oriented practices were most commonly utilised by respondents indicates HRM practices are viewed as a vehicle which can increase productivity, lower costs and enhance competitive advantage for an organisation. This is consistent with the assertion made by Guest (1989) that:

the driving force behind the introduction of HRM appears to have little to do with industrial relations; rather, it is the pursuit of competitive advantage in the market place through the provision of high-quality goods and services, through competitive pricing linked to high productivity, and through the capacity to swiftly innovate and manage change in response to changes in the market place or to breakthroughs in research and development (p.43).

The proposition that senior management primarily introduce HRM policies and practices to substitute the need for trade union involvement in their organisations does not appear to be supported by the overall results. The fact that substitution practices were ranked third out of the four categories is indicative of this. It may be inferred, however, that an undisclosed intention underpinning flexibility, quality and commitment practices is union substitution. All three sets of practices have the effect of rendering unions unnecessary.

Question 18: What are the advantages or benefits of implementing the HRM practices in place in your organisation?

From twenty-two respondents came 62 replies. The frequency of responses were as follows:

1. Greater productivity of staff (7)
2. Provides consistency and structure (7)
3. Enhances all aspects of communication (5)
4. Maximises employee value and ensures a return on investment (5)
5. Produces a happy, content and satisfied workforce (5)
6. Improves organisational performance (5)
7. Greater participation and involvement of employees (4)
8. Enhances profitability (4)
9. Creates a loyal, committed workforce, dedicated to achieving organisational goals (4)
10. Produces a motivated and performance-driven workforce (2)
11. Creates an open environment (2)
12. Reduces the 'us' Vs 'them' barrier (2)
13. Improves customer service (2)
14. Empowers staff (1)
15. Produces individual accountability and responsibility (1)
16. Provides employees with a feeling of security and well-being (1)
17. Reduces turnover (1)
18. Enables us to promote from within (1)
19. Produces quality employees (1)
20. Reduces industrial relations issues (1)
21. Produces a culture conducive to teamwork and co-operation (1)
22. Management becomes more accountable for the employment relationship (1)

The advantages reported by respondents are consistent with those outlined in the literature (e.g. Guest, 1989). They relate directly to the objectives underpinning the

HRM model - to produce a flexible, quality and committed workforce, in the interests of increased competitive advantage and enhanced profitability. By identifying these objectives as benefits, respondents implicitly indicated their support for a unitarist and individualist approach to the employment relationship. The effect of this approach being the perceived incompatibility of HRM with traditional industrial relations institutions. To this extent, moderate support is provided for the proposition that senior managers view HRM as a replacement function for industrial relations in an organisation. Certainly these results provide very strong support for the proposition that senior managers view HRM as a vehicle to create a flexible, quality and committed workforce.

The essential by-products of enhanced profitability and increased competitive advantage, are also consistent with assertions made in the literature. For example, it is claimed by Guest (1989) that HRM is a catalyst for achieving competitive advantage for an organisation (p.43). Combining the results from the list of 29 HRM practices with those produced here, there is support for this proposition. Together, they also provide further support for the proposition that senior management view HRM policies and practices as a vehicle to enhance the profitability of their organisations.

Referring to these results and those produced by Questions 19 and 22, HRM practices have the perceived ability to enhance bottom-line profit. This was identified as being consistent with the objectives underpinning the 'hard' version of HRM. Through their comments, respondents clearly viewed the 'human' as a 'resource', whose value should be maximised. However, attitudes predominantly associated with a human relations philosophy, or 'soft' approach to HRM were also just as evident. Inherent in both these versions is an implicit underlying anti-union philosophy. Although these approaches operate in very distinctive fashions, intrinsic to both are the objectives of eroding worker solidarity, emphasising allegiance to the firm, undermining collective institutions, and subverting union control over internal labour markets. This highlights the development of a subtle trend: respondents may not publicly

acknowledge the existence of an anti-union philosophy, but inherent in their HRM policies and practices is the implicit demonstration of such a philosophy.

Question 19: What were the reasons behind implementing your organisation's HRM practices?

Twenty-two respondents produced 70 replies. The frequency of their responses were as follows:

1. To maximise the productivity and value of staff (8)
2. To maximise the performance of the business (7)
3. Reduce costs and increase profitability (7)
4. To ensure people enjoy coming to work and enjoy performing their work (7)
5. To achieve the organisation's business plan (5)
6. Increase competitive advantage (4)
7. Gain employee commitment to the organisation and its goals (4)
8. Produce quality employees (4)
9. To ensure we are a competitive employer (3)
10. To empower staff - make them more responsible and accountable so that management can focus on strategic issues (3)
11. Establish a direct relationship with staff (3)
12. Produce motivated employees (3)
13. To make management accountable for the employment relationship (2)
14. Enhance communication with employees (2)
15. Encourage employee participation (2)
16. To minimise industrial relations issues (1)
17. To assist with restructuring (1)
18. To show employees that they do not need unions (1)
19. To drive and reward the desired employee behaviours (1)
20. To produce consistency in the treatment of staff (1)
21. Reduce turnover (1)

22. Create a family environment (1)

The diversity of these results illustrate that senior managers introduce HRM policies and practices for many different reasons. Upon closer evaluation, however, responses clustered around issues such as: maximising productivity and value, gaining a return on investment, reducing costs, enhancing profitability and maximising business performance. In the pursuit of these goals, employees may be seen as merely another factor of production. This philosophy is the central tenet to the 'hard' approach to HRM. To this extent, the existence of a 'hard' approach to HRM suggests the presence of an anti-union philosophy among these respondents. However, these results are not conclusive enough to contend that senior managers primarily introduce HRM practices to substitute the need for trade union involvement within their organisations.

Respondents also identified the objectives of creating a flexible and quality workforce. These are two factors which enhance an organisation's profitability and competitive advantage. The identification of these objectives provide further support for the predominant theme in this chapter. That is, HRM practices are principally used to create a flexible and quality workforce, thereby enhancing the organisation's profitability and competitive advantage. The consistency of this trend also provides further support for the proposition advanced by Guest (1989). This contention is based on the assertion that the driving force behind the introduction of HRM has little to do with industrial relations; but more to do with the pursuit of competitive advantage (p.43). Therefore, the proposition that senior managers view HRM practices as a vehicle to enhance the profitability of their organisation, is supported.

Question 22: Do HRM practices help improve bottom-line profit?

Table 5.5.6 HRM and Profitability

| Question: | Ratings: | |
|---|----------------|------|
| | 'Yes' | 'No' |
| Do HRM practices help improve bottom-line profit? | 100% (N=22) | 0% |

A single category of responses was produced for this question. This indicates unanimous support for the proposition that senior management view HRM policies and practices as a vehicle to enhance their organisation's profitability. The following quotes are illustrative of the predominant attitudes of respondents:

- HRM enhances profitability by aligning employees to the goals of management and the organisation.
- HRM enhances the performance of the business.
- It produces a more productive workforce. This helps lower our costs.
- HRM maximises the investment made in staff, enhancing the value returned to the organisation.
- HRM emphasises getting more for the same, or less.

These results are consistent with those outlined in Question 19. However, for this particular question, respondents identified all three objectives underpinning the HRM model as enhancing profitability. Therefore, support for the proposition that senior managers view HRM as a vehicle to create a flexible, quality and committed workforce, was received. This in turn sustains the contention that senior management view HRM practices as a vehicle to enhance the profitability of their organisations.

Question 25: Do you think HRM enhances or reasserts “management’s freedom to manage”?

Table 5.5.7 HRM and “Management’s Freedom to Manage”

| Question: | Ratings: | |
|--|------------------------|--------------|
| | Enhances/ Reasserts | ‘No’ |
| Do you think HRM enhances or reasserts “management’s freedom to manage”? | 86% (n=19) | 14% (n=3) |

Two identifiable categories were produced. The clear majority of respondents viewed HRM practices as enhancing or reasserting management’s power in an organisation. Three respondents did not view HRM as having these effects at all. The following quotes illustrate the opinions of respondents in each category:

1. Enhances or Reasserts:

- HRM practices clearly make it line managements responsibility to manage the business in a way they deem appropriate.
- HRM empowers management to manage.
- It is managements job to manage the organisation in a way we deem fit. HRM practices assist managers to do this.
- HRM helps put the strategies we want in place.
- Through planned HRM activities and practices, you can create this freedom.
- Managing has always been our role. HRM gives us the tools to create this freedom.
- HRM gives us the tools to run the organisation the way we want to.
- It gives line management autonomy and responsibility for the employment relationship. It also makes them accountable for it as well.
- HRM makes managing easier.
- It enhances our freedom but I would not go so far as to say it asserts it.

- It enhances the ability to manage. It is easier to manage a motivated and harmonious workforce.

2. *No:*

- If you have a participative management style and systems in place, it will not.
- Management should have this power anyway.
- HRM helps us achieve our company goals but it does not give us “power”.

Based on the comments of respondents in this study, the much vaunted idea of an “equal” partnership between management and labour is clearly an illusion. Although HRM positively seeks employee involvement, responsibility, autonomy and ownership, it is clear that these policies are only implemented to a certain extent and given limited ‘real’ value in the workplace. The results suggest that practices encouraging empowerment, responsibility, accountability and autonomy, are only deemed valid to the extent that they do not impede managerial power and control.

Whilst having important advantages for management and employees, the increasing popularity of employee involvement, responsibility and empowerment, has been said to mask a deeper underlying distaste for unionism (Horwitz, 1991). Specifically, attendant managerial strategies such as those outlined above, seek to formulate more ‘effective’ techniques to gain co-operation, thereby competing with the union for employee support. In the literature it has been clearly shown that the adoption of HRM is both a product of, and a cause of, a significant concentration of power in the hands of management (Purcell, 1983). Purcell (1983) states that “managers seem to believe that they can (or they ought to be able to) do what they wish to do, largely unencumbered by trade unions or the need for joint regulation” (p.517). Comments made by respondents in this study explicitly provide support for this proposition.

Out of twenty-two respondents, nineteen respondents agreed with the statement that HRM enhances or reasserts “management’s freedom to manage”. However, the justifications provided by the remaining respondents can not be categorically defined

as not providing support this proposal. One respondent stated that management should have this power anyway. Another stated that this power is conditional upon the type of management system in place. Therefore, moderate support for this statement was also given by these respondents.

The third respondent did not perceive HRM to be involved with any power issues. Instead this respondent acknowledged HRM as enabling them to achieve their organisation's goals. To this extent, HRM could be interpreted as providing their management team with some sort of managerial power, even though it is not recognised in this explicit form.

It is often said that HRM is the embodiment of the unitarist frame of reference (e.g. Guest, 1989). This claim is based primarily on two things: **(1)** the legitimisation of managerial authority, and **(2)** the imagery of the firm as a 'team' (Purcell, 1983). The results produced here tend to validate these claims. Therefore, categorical support is provided by respondents with regard to the proposition that senior managers view HRM practices as a vehicle to enhance or reassert their "freedom to manage". The overt presence of a unitarist frame of reference among the majority of respondents indicates that senior managers may hold more of an anti-union philosophy than disclosed in previous questions. This being the case, there is strong support for the proposition that senior managers implement HRM policies and practices to circumvent the need for trade union involvement within their organisations.

5.6 Summary of Findings

A summary of the main findings in relation to the propositions follows. A more detailed discussion of these findings can be found in Chapter 6.

- Two predominantly different interpretations of HRM were identified among respondents. Along the HRM continuum, and in the relevant literature, these are commonly referred to as 'hard' and 'soft' approaches to HRM. An initial examination of the two concepts produced a distinct and incompatible difference.

For example, the 'hard' approach identifies the 'human' as a 'resource'. This concept centralises upon issues of maximising employee productivity and value in order to enhance return on investment. The 'soft' approach, on the other hand, is closely associated with the human relations movement. This movement focussed on meeting the social needs of workers and work groups. The apparent differences are clear - the way employees are defined in an organisation. However, inherent in the two approaches is a common theme which is not so transparent - an anti-union philosophy. Although not conspicuous in the 'soft' approach to HRM, and not outwardly identified by respondents operating by this model, implicitly underpinning this model is the aim to secure employee commitment and allegiance to the organisation. This effectively eliminates the perceived need for unions in the workplace. The 'hard' approach to HRM does not hide the fact that this is a unitarist model which abhors unionism, collective philosophies, limitations on managerial prerogative, and alternative distractions for employee loyalty. Therefore, both approaches are essentially union-substituting. The responses of the majority of respondents (14) in this study indicated support for one of these two approaches.

- Two types of support were ascertained for the substitution thesis: implicit and explicit. Respondents implicitly provided evidence for the existence of an anti-union attitude by the following examples:
 - (1) The adoption of a 'soft' HRM model and welfare/human relations movement philosophies.
 - (2) The decentralisation of the HRM function. Line management operated in the capacity of personnel manager. They were fully integrated with the HRM plan, given responsibility for the employment relationship, and had the responsibility of conducting HRM functions.
 - (3) Incorporating the HRM function at a strategic operating level. The by-product of this was union avoidance and substitution.
 - (4) Predominantly using flexibility and quality-oriented HRM practices. Flexibility-type practices operate on the basis of the 'hard' approach to HRM. This maximises productivity, profitability and competitive advantage. Quality-oriented

practices operate on the basis of a co-operative model. This is consistent with the 'soft' approach to HRM. Both types of practices have the effect of union minimisation and substitution. These results also provide a valid explanation as to why employee commitment practices have been relatively silent point in this study. They also illuminate the reasons why flexibility and quality-oriented practices have dominated this chapter.

- (5) The advantages of implementing HRM policies and practices. Respondents implicitly illuminated their support for a unitarist and individualist approach to the employment relationship by identifying HRM practices as a vehicle to create a flexible, quality and committed workforce.
- (6) The reasons for HRM implementation. The key drivers were: maximising employee productivity and value, reducing costs, gaining a return on investment, enhancing profitability, and maximising business performance. This is consistent with the philosophies of the 'hard' approach to HRM.
- (7) HRM practices enhance profitability by producing a committed, flexible and quality workforce. Underpinning these components of the HRM model are the effects of union minimisation and substitution.

Respondents explicitly provided support for the substitution thesis with the following examples:

- (1) The existence of a unitarist frame of reference. This was highlighted by the preference toward an individualised employment relationship, which is free from third party intervention.
- (2) Respondents negatively associated unions, collective bargaining and third party intervention with industrial relations. They simultaneously viewed HRM as a positive and proactive function which replaces industrial relations. The assertion was: HRM equals good industrial relations by eliminating industrial relations institutions and issues.
- (3) HRM enhances and reasserts managerial freedom. A strong unitarist ideology legitimising the exercise of managerial power and control was evident among respondents. This indicated that perhaps more of an overt anti-union philosophy exists than previously identified. It also provided strong support for the

proposition that senior managers implement HRM practices to circumvent the need for trade union involvement in their organisations.

A predominant theme which emerged, and which gained unequivocal support was the equation:

$$\text{HRM} = \text{flexibility} + \text{quality} = \text{competitive advantage} = \text{profitability}$$

This is consistent with the assertion that HRM is introduced into organisations on the basis of its ability to secure competitive advantage (Guest, 1989). However, this does not mean that the union substitution thesis should be totally discarded. There is strong support for the proposition that union substitution maybe an undisclosed motive driving HRM strategy. Consistently underpinning the philosophies, models and practices of these respondents was a unitarist frame of reference coupled with either a 'hard' or 'soft' approach to HRM. Implicit to all of these is an anti-union set of preferences, and the operational objective of union substitution.

6.0 CONCEPTUALISING HRM: Identifying a New Zealand Approach

At this point in the thesis, the following points have been identified as the main components of the union substitution argument:

- (1) HRM, as an ideological framework, is unitarist and individualistic in composition.
- (2) The HRM model seeks to produce a flexible, committed and quality workforce, replacing traditional rigidities in contractual relationships with more flexible and co-operative arrangements.
- (3) The elements comprising the HRM model are incompatible with the traditional industrial relations function and its associated organisations.
- (4) The objectives underpinning the HRM model are essentially anti-union.

Therefore, HRM is a positive kind of union substitution.

This chapter presents an alternative explanation for the substitution thesis. It presents the concept of management style as an explanation for the demise of the traditional industrial relations function.

6.1 Managerial Attitudes Toward Trade Unions and HRM

The assertion made in the literature is that HRM values leave little scope for collective representation – in particular by parties external to the enterprise – and, assume little need for collective bargaining (Guest, 1989). From this it is concluded that HRM poses a considerable challenge to traditional industrial relations, and to trade unions. The main proponent of this argument, David Guest, suggests that HRM seeks to create a positive working environment (1989, p.43). In doing so, HRM does not appear to be overtly anti-union, but has the subtle effect of avoiding unions. This aids the development of an individualised employment relationship with staff. As a result of this process, unions are either excluded or marginalised.

The results of a study conducted by Fiorito, Lowman & Nelson (1987) provide support for the exclusion thesis outlined above. They conclude that HRM practices inhibit unionisation and adversely impact upon union organising success. With regard to union marginalisation, the results indicate that although there may be no apparent union displacement agenda among management, the investment in the HRM paradigm can render unions unnecessary (Storey, 1992). In this regard, marginalisation can result from the strategic management of certain critical employee processes. For example, having direct communication with individual employees, the implementation of performance-related pay, and individualised employment relationships.

The results produced in the present study appear to be consistent with the marginalisation thesis outlined above. Central to all HRM packages implemented in respondents' organisations were the following:

1. The desire to create individual employment relationships;
2. To have direct communication between staff and management;
3. To be able to recognise and reward individual employee performance, and
4. To enhance employee flexibility.

In the majority of cases reported here, senior management implemented sophisticated HRM practices. These had the effect of substituting traditional industrial relations practices and organisations, while appearing to acknowledge the continued 'right' of unions to operate within their organisations. The existence of this particular practice was predominant among those respondents from larger organisations who had extensive union involvement. These respondents outwardly acknowledged the existence of unions in their organisations primarily on the basis of practicality and cost. For the remaining respondents who were primarily associated with smaller sized organisations, an identifiable unitarist frame of reference was found. Two noticeable correlates of those who quite explicitly adopted the unitarist ideology were low levels of unionisation in these organisations and the limited capacity that those unions operated in.

It was evident that all respondents either implicitly or explicitly utilised sophisticated HRM practices which had the effect of union substitution. Depending on how employees were defined in their organisation, respondents were classified as using either 'soft' or 'hard' approaches to HRM. Underpinning both these paradigms is a subtle anti-union philosophy. While approximately one half of respondents did not explicitly acknowledge the existence of an anti-union philosophy, implicitly, the goal was one of union substitution and minimisation. These respondents were content to let the environment created by the ECA, changing societal attitudes and values, and changes in workforce attitudes over time, erode the level of unionisation without their direct intervention.

All respondents in this study greatly opposed any loss of control or potential threat to their managerial decision making power by a third party. Respondents went about ensuring the incessant continuation of their 'managerial prerogative' by limiting the role and power of unions within their organisations. This provided further support for the existence of a union-substituting, unitarist frame of reference among respondents. Consistent with this was the fact that respondents outwardly acknowledged HRM as a function which enhances and reasserts 'managerial freedom' within an organisation.

The unchallenged and unquestioned exercise of managerial power and control surfaced frequently throughout this study. This suggested that the issue is an important one for respondents. The fact that respondents viewed HRM as eliminating traditional industrial relations practices and organisations not only demonstrates this, but also indicates the existence of an undisclosed union substitution strategy.

The contention that HRM poses a considerable challenge to traditional industrial relations seems more pertinent to the undisclosed philosophies, attitudes and intentions of senior management. In this regard, trade unions may be oblivious to the extent of the anti-union attitudes that they face. The more obvious and explicit challenges facing trade unions have been identified as:

(1) The creation of a positive working environment,

- (2) Individualised employment relationships, and
- (3) High-quality management practices (Guest, 1989, p.44).

The HRM practices utilised by respondents in this study were consistent with those elements of the HRM model elaborated by Guest (1989).

Compounding this situation are the negative connotations which respondents attributed to traditional industrial relations. This in turn effectively enhanced the perceived value and legitimacy of HRM as a substitute function. Although the majority of respondents viewed HRM and industrial relations as distinctive functions, underlying their responses was the opinion that traditional industrial relations was archaic under the environment created by the ECA. Therefore, respondents viewed HRM as a 'new' industrial relations function, superseding 'traditional' industrial relations organisations and structures.

Consistent with the 'substitution' effect outlined above, were the perceived advantages of utilising HRM practices, and operating as a non-union organisation. Among other things, respondents associated both with increased productivity; enhanced communication; individualised employment relationships; maximised employee value; a happy, satisfied, and committed workforce. Enhanced managerial autonomy was also recognised. This again illuminated the importance of managerial freedom to respondents in this study.

Practices which complement the objectives of the HRM model also pose significant challenges to traditional industrial relations. Respondents in this study primarily utilised practices designed to produce a flexible and quality workforce. Central to these practices were: employee productivity, increased organisational performance, and value for money. These practices resulted in enhanced competitive advantage and profitability for respondents' organisations. Based on co-operative and participative models of industrial relations, these practices also effectively by-pass any perceived need for third party intervention in the employment relationship. The encompassing

philosophy is one of: “the company is not anti-union but pro-employee”. This leaves a limited role, if any, for the collective ideology and practices of trade unions.

Managerial attitudes towards trade unions in New Zealand revealed a number of inconsistencies. When specifically referring to trade unionism, industrial relations and the future of these institutions, the majority of respondents publicly espoused a positive view. They even went so far as to acknowledge the possibility of dual commitment, the irrelevance of union substitution, and the fact that trade unions might operate in a greater capacity than they currently do. However, accompanying these assertions was a predominant theme - “this is the way it should be in other organisations, but not in our organisation”. Pluralist arrangements were viewed as acceptable in principle, but in practice, the preference was for the unitarist alternative. Contradictions such as this dominated respondents replies. This strongly suggested the existence of a unitarist ideology, and the preference for an individualistic model of employee relations.

From the foregoing analysis, HRM also appears to pose a major challenge to management competence. It challenges the ability of management to sustain the quality of performance necessary to prevent issues arising which could provide fertile ground for union activity. Therefore, HRM places a premium upon the competence of management. Its focus is on making line management autonomous, responsible and accountable for creating an individual employment relationship, and sustaining that relationship. Consistent with this objective was the decentralised HRM function in a large number of respondents’ organisations. Line managers acted in the capacity of personnel manager. They were delegated responsibility for the performance of the operational tasks of the HRM function, while simultaneously monitoring and influencing the employment relationship.

The issue of ‘management style’ therefore becomes a pertinent one for this thesis. The autonomy and responsibility delegated to line management means that employee relations is a strategic issue for senior management in an organisation. Managerial

style plays a critical role in successfully managing industrial relations and trade unionism in an organisation. It is this contention which provides the foundation for the proposition that management style maybe an alternative explanation for the union substitution thesis.

6.2 Literature Review

As outlined in Chapter 1, the categorisations provided by Fox (1966, 1974) have been utilised as the basis for almost all of the work on 'management style' in the industrial relations literature. For example, Purcell (1987) and his colleagues (Purcell & Sisson, 1983; Purcell & Gray, 1986; Sisson, 1989) aim to distinguish between different managerial approaches toward employee relations. One model in particular which has provided the foundations and defined the parameters upon which most of the management style/management-employee relations literature is based, is Purcell & Sisson's (1983) model of employee relations. For the purposes of this thesis, the value of these management styles as an overriding explanation for the union-substitution supposition, can not be overstated. Five management styles are identified by these authors:

- (1) Traditionalist
- (2) Sophisticated Paternalist (later updated to 'Sophisticated Human-Relations')
- (3) Consultors (later 'Consultative')
- (4) Constitutionalists (later 'Constitutional')
- (5) Standard Modern

The first two management styles, the traditional and sophisticated paternalism/human relations, represent the controlling and caring sides of personnel management respectively (Legge, 1995). Both share a unitary orientation and have little affinity with collectivism. The traditional style is characterised by labour being viewed as a factor of production, and as a cost to be minimised. Unions are opposed and attempts at unionisation are met with victimisation (Legge, 1995).

Where individualism is high and collectivism is low, sophisticated paternalism is operating. Under this particular management style employees are viewed as the company's most valued resource (Legge, 1995). This approach emphasises the importance of inculcating employee loyalty, commitment and dependency through a variety of strategies such as: above average pay rates, internal labour market structures with promotion ladders, pay-for-performance systems, multi-skilling, consultative committees, extensive internal communication systems, conducting attitude surveys, team briefings and quality circles. Unions are not welcome, and the aim of the 'caring' HRM policy is to make unionisation appear unnecessary or unattractive to employees (Legge, 1995).

A further style which identifies collectivism, in terms of the existence and recognition of union institutions, is the consultative approach to management (Legge, 1995). Recognising a role for trade unions, management attempt to engage unions in a "partnership" capacity. Emphasis is placed on achieving individual commitment through practices such as training, multi-skilling and profit-sharing, but in a context where consultation and bargaining with the union is taken for granted (Legge, 1995, p.37). Employee participation practices such as joint working parties, team briefings and consultative committees are strongly encouraged, enhancing the management-union communication channel, as opposed to by-passing it.

Where collectivism is high, in terms of the existence of union structures, and individualism is low, the constitutional style is prevalent. Unions are recognised, but under the mindset that they are unavoidable. Managerial prerogative is vital to this style. Managerial autonomy is ensured by the existence of specific collective agreements which are carefully administered and monitored by line management. Management's emphasis, therefore, centres on the need for stability, control and the containment of conflict. In doing so, unions are neutralised or minimised, affording management the relative freedom to manage operationally and strategically. Although this style has a collectivist component, the degree of legitimacy accorded to unions is low (Legge, 1995, p.37).

The fifth style, the standard modern, falls outside of the collectivism/individualism typology. As such, it is denied the status of being a 'true' style (Legge, 1995, p.38). This approach to employee relations is characterised as being pragmatic and opportunistic. There is no policy about the recognition of trade unions or a consistent approach to the management of employee relations. The approach taken at the time is considered to reflect line managements reaction to changes occurring within product and labour markets.

Variations made to this model by Purcell & Gray (1986), Purcell (1987), Marchington & Parker (1990), Marchington & Harrison (1991), McLoughlin & Gourlay (1992), and Storey & Bacon (1993), illuminate the recognised merits of the five styles underpinning Purcell & Sisson's (1983) original model. Although subsequent attempts have been made to refine and enhance these typologies, it is essentially these five management styles which have provided the basis for empirical research and comparison within the industrial relations literature.

When discussing management style in employee relations, non-union firms are generally included in either one of two categories:

1. 'traditionalists' – who display outright hostility towards trade unions, or
2. 'sophisticated paternalists' – those whose management policies effectively substitute the need for union intervention (Blyton & Turnbull, 1994).

In the case of 'sophisticated paternalists', management thinking is effectively pluralist to the extent that management recognise the need to manage employee relations *as if* the workforce has divergent interests. However, their interests are not made manifest in union organisations. In this way, management is able to identify concerns, fears, satisfy worker aspirations and *stay non-union* (Blyton & Turnbull, 1994, p.250). The actual policies, and certainly the management objectives associated with this style are, to all intents and purposes, unitarist. Such characteristics are particularly common in smaller sized organisations where issues of possessiveness are predominant. Proprietors of these organisations typically see the business as their possession to do

as they please. This is especially the case where the proprietor is also the founder. Managers of these organisations regard their company as unique, and regard themselves as benign, fair, even-handed and reasonable (Blyton & Turnbull, 1994, p.251). This perception creates a framework which is reluctant to accept the legitimacy of employees taking any meaningful part in the influence and control of their working conditions or environment (Blyton & Turnbull, 1994, p.251).

Contributions made by Beaumont (1986) and McLoughlin & Gourlay (1992) constitute the most relevant research on managerial styles and non-unionism. Beaumont's (1986) study noted an association between high technology firms and the 'sophisticated paternalism' management style. Moreover, Beaumont (1986) advanced the proposition that the 'sophisticated paternalism' management style was causally related to unionisation as it is associated with a desire to achieve and maintain a non-union status (Purcell & Sisson, 1983).

McLoughlin & Gourlay (1992) provide some empirical support for the existence of HRM-type approaches defined in terms of high degrees of strategic integration, and a stress on individualised modes of job regulation (p.685). The significance of this study, centralises on the finding that a high strategic integration/high individualisation managerial style could not be reduced to an HRM approach, as hypothesised. The researchers specifically suggest that it would be wrong to seek to explain the non-union status of the organisations in their survey on the basis of a 'substitution' effect. Instead, they suggest that the non-union status was likely to be the result of straightforward avoidance or opportunism (McLoughlin & Gourlay, 1992, p.685).

From the foregoing, the following can be inferred:

- Management style is an alternative explanation for union substitution in organisations.
- The 'traditional' and 'sophisticated paternalism/human relations' managerial styles do not appear to be outwardly anti-union, but implicitly underpinning both these styles is an anti-union philosophy.

- The ‘traditional’ style is consistent with the ‘hard’ approach to HRM.
- The ‘sophisticated paternalism/human relations’ style is characterised by utilising commitment-oriented practices to secure employee allegiance to the organisation.
- The ‘traditional’ and ‘sophisticated paternalism/human relations’ management styles are individualistic and unitarist in orientation.
- The ‘constitutional’ style does not recognise union involvement on the basis of a pluralist ideology. Unions are recognised on the grounds that they are unavoidable. This indicates the existence of an implicit unitarist ideology.
- The management style adopted in an organisation will be central to their operating environment. This will be reflected in the organisation's business strategy and associated policies.

6.3 The Propositions

Three propositions concerning management style, values and employee relations were formulated on the basis of the literature review. These are:

- (1) Management style is an alternative explanation for union substitution within an organisation.
- (2) The values of senior management will be either implicitly or explicitly anti-union. On the basis of senior managements values, Foulkes (1980) categorised management motivations as being either ‘philosophy-laden’ or ‘doctrinaire’. Underpinning the ‘doctrinaire’ approach is an explicit anti-union philosophy, Underpinning the ‘philosophy-laden’ approach is an implicit anti-union attitude. Therefore, the values of senior management will be union-substituting.
- (3) Senior management who encourage a consultative and participative relationship with staff, will have low levels of unionisation.

6.4 The Questions

As with preceding chapters, the questions selected in this chapter were chosen on the basis of their ability to illuminate the propositions outlined above. Three open-ended questions were asked:

24. How would you describe the values of senior management in your organisation?
29. What sort of relationship does management try to foster with employees in this organisation?
30. What are the reasons for adopting this particular strategy towards employee relations in your organisation?

6.5 The Results of the Questions

Question 24: How would you describe the values of senior management in your organisation?

Twenty-two respondents produced 60 replies. The frequency of their responses were as follows:

1. Encouraging open communication and sharing information (9 respondents)
2. Honest, ethical, high moral standards. Operates with integrity (7)
3. As a team (6)
4. Encouraging employee participation (5)
5. High priority given to the employment relationship (4)
6. Emphasising individual accountability and responsibility (3)
7. Treating staff with dignity and respect (3)
8. Focussing staff on business objectives (3)
9. 'Returns' focussed (3)
10. Treating others as you would want to be treated (2)
11. To be employer of choice (2)
12. Caring and sharing (2)

13. Valuing the individual (2)
14. Concerned with treating staff fairly (2)
15. Encouraging good people skills (1)
16. Caring for staff up to the point where it is no longer cost-effective to do so (1)
17. Rewarding superior performance (1)
18. Approachable and visible (1)
19. Leading by example (1)
20. 'People' focussed (1)
21. To be a good employer (1)
22. Consultative (1)

Respondents clearly articulated a diverse range of values. However, upon closer examination, it is apparent that these values centralise around a core cluster of responses: the importance of an open, honest, two-way relationship between staff and management. This dismantles any perceived barriers between the parties, creating the foundations of an environment conducive to 'teamwork'. This concept emphasises employee participation and the importance of the employment relationship in general.

As outlined in the literature, managerial values influence and shape the process of producing organisational responses to environmental pressures or opportunities (Flood & Turner, 1993). This is consistent with Kochan, McKersie & Chalykoff's (1986) strategic choice theory which argues that external pressures interact with the basic values and business strategies of top decision-makers to influence industrial relations activities (p.491). On the basis of strategic choice theory, the HRM policies and practices formulated and implemented by senior management, implicitly and explicitly illuminate the value-base upon which management operate. The means by which an organisation seeks, achieves and maintains competitive advantage, will therefore clearly illustrate the underlying values and ideologies of senior management. Managerial values are also central to the importance or priority an organisation attaches to avoiding unionisation. However, the feasibility of doing so, in turn, depends on how highly unionised the organisation is.

On the basis of managerial values, Foulkes (1980) described two primary types of management motivation: 'philosophy-laden' and 'doctrinaire'. In his study, Foulkes (1980) suggested that senior management operate primarily from one of two sets of values. These are:

- (1) A genuine belief on how employees are to be treated within an organisation, and
- (2) The fundamental purpose of remaining non-union (p.45).

The essence of both these philosophies is ultimately union substitution. As alluded to in Chapter 4, respondents in this study were able to be classified as either 'philosophy-laden' or 'doctrinaire'. This was demonstrated in this study by the various approaches to HRM, the welfare/human relations philosophy embraced, and the stance taken toward union-substitution.

Central to all HRM practices implemented within respondents organisations was the aim to create or enhance competitive advantage. To achieve this, respondents predominantly utilised practices designed to produce a flexible and quality workforce. Therefore, either implicitly or explicitly, respondents manifested a set of values focussed toward creating a 'team' environment. In doing so, they simultaneously secured an open, direct, and participative relationship with their staff. This is consistent with the unitary ideology.

With reference to respondents' replies to this question, a predominantly unitarist perception of the employment relationship was evident. Respondents emphasised an open and direct relationship, which centred on the principles of honesty, integrity and trust. Such relationships arguably obviate the need for third party intervention. Consistent with this were: employee participation practices designed to secure employee allegiance to the firm, teamwork, and a high priority afforded to the employment relationship. Through a detailed examination of these results, it is apparent that underpinning the espoused values of respondents, lies an implicit unitarist, anti-union philosophy. These ideologies are prevalent in the 'traditional' and 'sophisticated paternalism/human relations' management styles. Both these styles are characterised as outwardly operating from a caring, humanistic value-base, while

obscuring the underlying controlling nature of the unitarist orientation. Therefore, the proposition that senior management values will be either implicitly or explicitly anti-union, was supported. These results also sustain the proposition that management style is an alternative explanation for union substitution within an organisation.

Question 29: What sort of relationship does management try to foster with employees in this organisation?

Twenty-two respondents produced 34 replies. The frequency of their responses were as follows:

1. Part of the same team (10 respondents)
2. Open (7)
3. Consultative (4)
4. Participative (3)
5. A close, individual and direct relationship (3)
6. One of mutual dignity and respect (2)
7. Co-operative (1)
8. Part of a big family – Paternalistic (1)
9. Where management acts as coach and mentor (1)
10. One that emphasises personal accountability and responsibility (1)
11. One that encourages individual growth (1)
12. Relaxed, friendly, positive, understanding (1)

A large number of respondents evoked images of teamwork, and saw teamwork as a principal objective. Consistent with meeting this objective was the aim to make the employment relationship as open as possible. Images of teamwork and openness, are also suggested in a number of the other responses to this question. Therefore, the importance of a two-way, trusting relationship between staff and management within an environment conducive to teamwork, was once again illuminated as being of significant importance to respondents in this study.

Over three-quarters of respondents indicated their preference for the type of management-employee relationship outlined above. However, no clear association was found to exist between this approach to managing or employment relationship, and low levels of unionisation. This suggests a paradox.

The objective of creating an open, close, and individual employment relationship within the ambit of a 'team' environment, suggests the existence of a unitarist ideology. It should follow that unionisation levels will either be low or non-existent within those organisations placing a premium on teamwork and openness. However, this was not the case with all respondents. Therefore, the proposition that consultative, and participative employment relationships will in all cases result in low levels of unionisation, was not supported by the results produced in this study.

Question 30: What are the reasons for adopting this particular strategy towards employee relations in your organisation?

Twenty-two respondents produced 43 replies. The frequency of their responses were as follows:

1. The company benefits (9 respondents)
2. To maximise employee productivity and worth (6)
3. To align employees with the goals of the organisation (6)
4. To remove the barriers between staff and management (3)
5. To create competitive advantage through happy and satisfied staff (3)
6. To empower employees - make them autonomous, accountable and responsible (3)
7. It produces a win/win situation for both staff and management (3)
8. To give staff a clear direction of where the company is going (2)
9. To enhance personal and business development (2)
10. To get to the minds and hearts of employees (1)
11. It makes staff feel 'useful', that they are more than just a worker (1)
12. To produce a happy, harmonious workforce (1)

13. To help employees feel dignified and respected inside of work as they would outside of work (1)

It can be argued that a common theme runs central to all these responses. That is: the employee is a 'resource' to be maximised like any other factor of production. This theme is most closely associated with the 'traditional' and 'sophisticated paternalism/human relations' style of management. These responses also illuminate the existence of a unitary frame of reference among respondents. In doing so, this provides support for the proposition that the values of senior management will be either implicitly or explicitly anti-union. They also provide further support for the contention that management style is an alternative explanation for union substitution within an organisation.

6.6 Summary of Findings

A summary of the main findings from this chapter follow. A detailed discussion incorporating these findings and those reported in Chapters 4 and 5, will follow the conclusions to this chapter.

- Respondents consistently identified the importance of achieving two elements within the employment relationship. These were: the establishment of an open, direct and two-way relationship between staff and management, and the creation of an environment conducive to 'teamwork'. These two facets effectively illuminated the value-base upon which senior managers in this study operate, evaluate, reject, discount or consider organisational responses to external pressures or opportunities. Subsequently, options which are inconsistent with the accepted values of senior management and the organisation will not be pursued. Therefore, it can be stated with confidence that the policies and practices which are in place in an organisation provide a true and accurate reflection of both the disclosed and undisclosed values of senior management. The same can be said in managing industrial relations. External pressures interact with the basic values and business strategies of senior management. This influences and determines the most

appropriate strategies, practices and courses of action. On the basis of strategic choice theory, the practices aimed at enhancing or maintaining competitive advantage, is a clear indication of the undisclosed values of senior management.

- Respondents in this study sought competitive advantage primarily through the management and minimisation of labour costs. Practices designed to produce a flexible and quality workforce were implemented in order to achieve this aim. This also had the effect of making the organisation more responsive to change.
- As previously identified, underpinning the objectives of the HRM model is an individualist approach to industrial relations - the fulcrum of the unitarist frame of reference. Associated with this is a resistance to traditional industrial relations organisations, and the collectivist ethos. The essential by-product of this is union substitution through either overt or implicit means. In the pursuit of competitive advantage, respondents displayed both explicit and implicit anti-union philosophies by inadvertently by-passing these organisations. In this respect, and on the basis of their values, respondents were categorically defined, as being either 'doctrinaire' or 'philosophy-laden'. Associating these values with Purcell & Sisson's (1983) management styles, respondents displayed elements consistent with the 'traditional' and 'sophisticated paternalism/human relations' style of managing.
- In the pursuit of a direct, open and close relationship with staff, management articulated the elements of a unitarist ideology. As this ideology abhors collectivism and third party intervention, it follows that a correlate of this ideology will be low, or no levels of unionisation. However, no clear relationship was found to exist between two primary objectives of HRM – flexibility and quality, and levels of unionisation. This tends to indicate that some respondents do not consciously operate on the basis of a unitary ideology. Instead, they implement practices which are stereotypical of such a frame of reference on the basis of the benefits which accrue. Therefore, union substitution in its own right, is not an explicit objective. If all respondents explicitly operated on the basis of such an ideology, a clear relationship would be found between low levels of

unionisation and HRM practices. Similarly, a more concerted effort would be made to substitute unions within the workplace.

- At this point, the contention of management style being an alternative explanation for union substitution, is plausible. This proposition is supported by the priority respondents afforded to creating an employment relationship based on: trust and confidence; openness; direct, two-way communication; consultation and participation, within an environment conducive to producing teamwork. Taken together, these ultimately secure employee allegiance to the organisation, negating the perceived need for third party intervention. The proposition is also supported by the fact that respondents identified the organisation as benefiting from such relationships - benefits which would not, and could not be enjoyed if a third party was involved. Therefore, it can be concluded that the management style adopted in an organisation is a major strategic factor for senior management. It has the ability to influence staff, the employment relationship, industrial relations and ultimately the level of trade union involvement in an organisation.

6.7 Industrial Relations, HRM and Management Style

The style of management prevalent in an organisation is a critical component of a much larger business strategy. With particular reference to the industrial relations arena, management style lends itself as an approach which has the effect of substituting the industrial relations function and its associated traditional institutions. In terms of the present study, management style is identified as a valid and substantive alternative explanation for the substitution thesis on the basis of the following grounds:

- (1) At a conceptual level, I would argue that management style is a strategic choice which relates to the organisation's business plan.
- (2) At a conceptual level, it is a choice which is based on, and reflective of, senior managements' values.
- (3) For the most part, the management styles identified in this study were underpinned by either an implicit or explicit unitarist ideology. This frame of reference abhors collective entities such as unionism.
- (4) The 'sophisticated paternalism/human relations' and 'constitutional' management styles were illuminated as the dominating styles encouraged by respondents.
- (5) Respondents indicated a strong preference toward creating a close, direct and individual relationship with their employees. The upshot of this is that a relationship based on trust and confidence in management is formed, obviating the need for employees to join or remain a member of their union. Employers, it is suggested, are looked upon by their staff as genuine, fair, reasonable, open, ethical, honest, having integrity and most importantly, being trustworthy. This again obviates the need for third party intervention in the employment relationship. Consistent with these objectives are the 'sophisticated paternalism/human relations' and 'constitutional' styles of management. These styles are clearly underpinned by a unitary ideology and a distaste for unionism.

On the basis of the bipolar distribution of unionisation levels in this study, respondents' organisations were classified as being either non-union or highly unionised. Investigating this dispersion further, an association exists between the

'smaller' organisations (mean number of employees = 382) within this study and low levels of unionisation, and 'larger' organisations (mean number of employees = 2,671) with extensive union involvement. These findings are consistent with those reported by Deeks, Parker & Ryan (1994). However, this is an aspect of substantive significance only, no measure of association or correlation could be sustained given the number of respondents in this study.

Within these 'smaller' organisations, the majority of respondents reported unions as either having no apparent role, or a very limited role. The espoused values of respondents tended to support this orientation toward unions. These are characterised by the following quotes:

- supporting high ethical and moral standards
- encouraging good people skills
- treating others as you would want to be treated
- open communication and information sharing
- emphasising honesty and integrity
- acknowledging the individual
- pursuing the 'team' concept
- to be an employer of choice
- caring
- a high commitment given to managing the employment relationship
- fair
- concerned with fulfilling the individual so that they can reach their potential and provide the best returns possible to the organisation.

These values illuminate the explicit articulation of a unitary frame of reference among one half of the respondents in this study. Consistent with this ideology are the 'traditional' and 'sophisticated paternalism/human relations' management styles. Both present a controlling and caring side to managing employees, but clearly diverge on issues such as employee autonomy and individualism. Fundamental to this

categorisation of respondents was the existence of the ‘sophisticated paternalism/human relations’ management style. In the case of respondents’ observations on HRM policy and practice, individualism was high and collectivism was low.

Respondents’ priorities were geared toward a number of critical factors including: individual employee responsibility, accountability, autonomy and recognition; the individual as the company’s most valued resource, and the importance of securing employee loyalty and commitment to the organisation. Consistent with this is the conception of the employee as a ‘resource’. However, this point does not form the pinnacle of this style as it does with the ‘traditional’ style of managing (Legge, 1995). Collectivism, to the sophisticated paternalist, is only relevant to the extent that staff and management form part of the same ‘team’. Any other forms of collectivism are unwelcome, particularly with regard to industrial relations. Therefore, where this management style is predominant, the aim of the HRM function is to make unionisation appear unnecessary or unattractive to employees (Legge, 1995). Central to this is the observation that smaller sized organisations are typically associated with the ‘sophisticated paternalist/human relations’ management style (Blyton & Turnbull, 1994, p.250). Two reasons for this are given:

- (1) Management policies effectively substitute the need for union intervention, and
- (2) Management thinking appears to be effectively pluralist to the extent management recognise the need to manage employee relations *as if* the workforce has divergent interests, while clearly operating from a predominantly unitary frame of reference. These managers regard themselves as fair, reasonable and even-handed, justifying the existence and operation of their unitary ideology (Blyton & Turnbull, 1994).

Consistent with these statements, are the values, assertions, and ideologies of respondents in this study. Similarly, the type of employment relationship that these respondents also encouraged, displayed essential elements characteristic of the unitary frame of reference. The following examples are illustrative of this:

- a close and direct relationship
- teamwork oriented
- open communication
- trusting
- no ‘perceived’ barriers between staff and management - emphasising commonality
- relaxed, friendly and positive
- one based on mutual dignity and respect
- supportive and fair

These quotes clearly illuminate the value-base of respondents. They also illustrate that the unitary ideology flourishes in small sized organisations where a direct and individual employment relationship can be established and maintained. Organisations of this size have also been seen as those likely to support a deferential orientation on the part of employees (Goldthorpe, Lockwood, Bechhofer & Platt, 1968).

For the remaining respondents, and those constituting ‘large’ size organisations, a high level of union intervention was observed. As previously established, the involvement of unions was on the basis of what I have discussed as expedient pluralism, as opposed to the existence of an unalloyed pluralist frame of reference. The supporting rationale is that it is cost-effective and practical for these organisations to deal with collective entities than it is to deal with thousands of employees on an individual basis.

The capacity in which unions operated, varied within these organisations. However, two distinct clusters did emerge. These were: **(1)** as a bargaining agent, and **(2)** as a strategic partner in the organisation. These observable categorisations were also consistent with findings in the literature associating the ‘constitutional’ and ‘consultative’ styles of management with large size organisations (Legge, 1995).

Approximately one half of all respondents were able to be categorically defined as practicing a ‘constitutional’ style of management. Within these organisations collectivism, in terms of union structures and industrial relations processes was high,

and certain aspects of individualism low. For example, individual and group participation in task related decisions, individual career ladders in place, long term employment security, profit share systems and consultative committees.

Notwithstanding that respondents' industrial relations practices embodied collectivist structures, organisations and contracts, the majority of managers engaging in this style either had the specific aim to drastically reduce union involvement in the employment relationship where possible, or to become totally union-free. For these respondents, it was considered desirable to have an employment relationship engendering the following qualities:

- facilitating an open and factual relationship so that employees are aware of the company's direction
- an honest relationship where pertinent information is shared, and everyone is kept informed
- 'teamwork'
- recognising the contribution each other makes in the organisation
- a two-way relationship, where you are able to get to the hearts and minds of employees
- where employee satisfaction is enhanced

In making these statements, however, two respondents recognised the fact that they would never be able to achieve a union-free status. In this regard they recognised their 'obligation' to deal with the union. For these particular organisations, unions were described as 'unavoidable' and an 'inevitable fact of life'. The following comments illustrate these respondents' statements:

- It is our aim to reduce union involvement but the size and instability of our operating environment will always guarantee that employees will want representation.
- We do not have a choice to be union-free. Unions are a fact of life. We can not offer our employees the security they need to leave their union.

- The type of employees we have ensures a role for unions in our organisation. We would love to have an individual relationship with our staff but realise that this will never happen in our industry. Therefore, we have to deal with their union.

Respondents' dispositions were consistent with those underpinning the 'constitutionalist' style of management. Under this style unions are recognised, but on the grounds that they are unavoidable (Legge, 1995). For respondents in this study, unions were also recognised on the basis that it was cost-effective to do so.

Although a collectivist set of industrial relations practices was prevalent within these organisations, the degree of legitimacy accorded to unions by management, was low. The aim of management is, therefore, to contain conflict in order to minimise or neutralise union impact upon managerial autonomy and decision making power. The underlying unitary frame of reference inherent in this style is thereby illuminated. Similarly, respondents chose only to recognise unions in the capacity of their employees nominated bargaining agent. They were not perceived as legitimate 'partners' in the business, explaining their exclusion from the strategic planning process.

Four respondents in this study acknowledged unions as being more than a bargaining agent for their employees. These respondents espoused a belief that unions should operate in a strategic capacity within an organisation. This philosophy was affirmed by respondents interacting with unions on the basis of a partnership model - a model which is closely aligned with the 'consultative' style of management. The following comments are illustrative of these respondents' views:

- Unions represent the interest of employees to management. In this respect they are consulted on the changing environment and are asked to put forward ideas on how the company and staff can make the business grow.
- We have a very interactive relationship with unions. We work with unions and seek input from them to help facilitate change in our organisation.

- Unions work in a joint capacity with management to ensure the business survives. This ensures that the maximum amount of people can be employed within our organisation.
- They are a key part of the workforce.
- They are part of our strategic coordinating team which meets weekly to develop and implement the business plan. They know the most intimate details of the business, including our financial performance.
- Unions help with labour relations in our organisation. By operating at a strategic level, they help us identify potential issues.

While recognising the value of the union and their contributions to industrial relations, these respondents did not ignore or undervalue the importance and worth of the individual, or the need to secure a committed workforce. As such, their focus was geared toward creating a management-employee relationship supportive of:

- Openness and honesty
- Participation and teamwork
- Co-operation
- Recognising the individual contributions of employees
- Mutual trust

Participation practices such as: consultative committees, team briefings, autonomous work groups, employee involvement and rewarding co-operation and productivity, were easily identified. Similarly, practices designed to enhance employee commitment to the organisation, via generous contracts, high levels of individual and group participation, and profit share systems, were also prevalent in these organisations. Therefore, respondents ostensibly recognised the merits associated with both collectivism and individualism, thereby illuminating a rapprochement between aspects of the unitarist and pluralist orientations.

The foregoing analysis is consistent with the elements comprising the 'consultative' style of management. Under this style, individualism and collectivism are ranked highly. Collectivism is recognised through the existence of union structures. Individualism is acknowledged through the benefits which these practices can incur. Management tend to view unions more as 'partners' in the business, engaging them in broad ranging discussions over a variety of issues, including plans for change (Legge, 1995, p.37). Emphasis is, therefore, geared toward achieving individual commitment through practices supportive of employee participation. However, these practices are regarded as supplementing the communication process rather than as substitutes for, or undermining, the management-union relationship. With regard to this particular management style, the pluralist ideology is clearly the dominating frame of reference, even though elements inherent in the unitary ideology are traceable.

It can be stated with confidence that eighteen out of the twenty-two respondents forming this study, operated on the basis of a unitarist frame of reference. Nine respondents displayed a 'sophisticated paternalism/human relations' style of management which is clearly underpinned by a unitary ideology. Although the intention of this style is to create the illusion of pluralism, management utilise policies and practices such as HRM, to effectively negate the perceived need for union intervention within the employment relationship. Therefore, unionism was either non-existent or particularly low in these 'smaller' organisations, illustrating the fact that it is practical and beneficial for these respondents to operate on the basis of individualised employment relationships.

Nine respondents were identified as utilising a 'constitutionalist' style of management. Underpinning this particular style is a predominant unitary frame of reference geared toward securing employee commitment to the organisation. The decentralised nature of the HRM function, together with the increased responsibility of line management for the employment relationship, both predicated and secured the managerial 'prerogative'. The implementation of high quality management practices and associated functions, ensured the containment of unions. Although unions are

recognised under this style, they were not strategically integrated into these respondents' organisations. Respondents primarily interacted with them on the basis that they were their employees' bargaining agent.

Consistent with the unitary ideology of all respondents outlined above, was the type of relationship management endeavoured to create with employees. The following quotes are illustrative of this:

- Open, honest, caring, trusting, ethical, acting with integrity
- Two-way communication
- Teamwork
- People-oriented
- Part of a family
- Mutual dignity and respect

The remaining four respondents were characterised as demonstrating the 'consultative' style of management. Although essentially pluralist by definition, three respondents did not display a 'true' pluralist frame of reference. They tended to deal with unions at this level because it was in their interests to do so. These respondents specifically identified practicality and cost-effectiveness as the basis for union inclusion. This indicated the existence of expedient pluralism. However, in identifying the type of relationship that these respondents endeavoured to create with their employees, no identifiable differences emerged between the various groups of respondents.

On the basis of the values underpinning the HRM model, it is reasonable to assume that organisations exhibiting an HRM approach will be characterised by management styles seeking a high degree of individualism in the employment relationship. In terms of the three management styles identified through the course of this study, eighteen respondents utilised an explicit individualist style of management. However, in terms of the espoused values of respondents, and the relationships they endeavoured

to create, individualism was cited in all cases. On this basis, it might be argued that an inherent degree of union avoidance and substitution may follow.

The extent to which the HRM model is operational within an organisation, depends primarily on those responsible for policy formulation and implementation. As previously identified, it is essentially the values of senior management which determine organisational responses to pressures or opportunities. This illuminates options which are either consistent or inconsistent with their accepted values and principles. The same can be said in the industrial relations arena. The values of senior management predicate the models to be utilised as the basis of their employee relations strategy. However, it is ultimately the type of management style operating in an organisation which gives life and meaning to any given model. In this regard, the HRM model acts only as a vehicle for the disclosed and undisclosed values, philosophies and strategies of senior management. Therefore, as it is an identifiable management function, HRM should not be isolated from the predominant management style operating within an organisation.

Two of the three management styles identified in this study were consistent with, and supportive of, the objectives underpinning the HRM model. However, on the basis of explicit comments made, all respondents, to varying degrees, were sympathetic to the aims of the HRM model. As such, an explicit pattern of responses emerged illuminating HRM as a model which substitutes the traditional industrial relations function and its associated organisations. On this basis, respondents displayed in one of three ways, an overt anti-union philosophy, or support for HRM practices which constitutes a challenge to traditional forms of union representation:

- (1) The assertion that HRM equals good industrial relations by eliminating industrial relations structures and issues.
- (2) The predication that HRM enhances and reasserts managerial freedom.
- (3) The preference toward an individualised employment relationship, free from third party intervention.

Consistent with these assertions were those implicitly provided by respondents. The following citations are illustrative of these:

1. The decentralisation of the HRM function to line management.
2. A 'soft' approach to the HRM model.
3. The use of flexibility and quality-oriented HRM practices.
4. The advantages of implementing HRM practices within their organisations.
5. The reasons for HRM implementation.
6. HRM practices enhancing profitability and competitive advantage.
7. Incorporating the HRM function at a strategic level.

With regard to HRM, industrial relations and management style, the following inferences can be made:

- Management style is integral to an organisation's strategic business plan.
- Management style is planned. Therefore, it reflects the disclosed and undisclosed values of senior management.
- The 'sophisticated paternalism/human relations' approach and the 'constitutional' management style have the effect of obviating the perceived need for third party intervention in the employment relationship.
- Organisations which exhibit an HRM approach are essentially characterised by management styles which seek a high degree of individualisation within the employment relationship.
- The management styles associated with the majority of respondents in this study were underpinned by a unitarist frame of reference.
- Respondents endeavoured to create individualised employment relationships.
- Respondents used HRM practices to replace the traditional industrial relations discipline and hence, trade unionism.
- HRM is merely a vehicle to achieve the intentions of senior management, some of which may be explicitly articulated as an aspect of management style and strategy, others of which may form part of the sub-text of that strategy.

7.0 CONCLUSIONS

Human Resource Management (HRM) as a management function and scholarly discipline has been the subject of wide and diverse definition and interpretation. Although there is no one single approach to HRM, a number of normative conceptions have surfaced in the literature. As suggested in Chapter 1, these conceptions of HRM tend to be founded on a new set of assumptions:

- it is a function directed at management needs as opposed to pluralist objectives;
- it emphasises the need for human resources to be provided and deployed in the most cost-effective manner in an organisation;
- it emphasises the need for human resources to be flexible, of a high quality, and committed;
- it emphasises that labour is a resource capable of development and utilisation like any other factor of production;
- HRM is seen as a proactive function incorporating system-wide interventions, and linked with strategic planning;
- it is underpinned by the assertion of the mutual interests of labour and capital, manifested in trust and collaboration, and
- employee commitment and adaptability is viewed as a significant source of competitive advantage.

The HRM literature conceives of industrial relations as sustaining collective structures and organisations. A principal defining feature is the presence of trade unions. Trade unions are viewed as providing for the collective representation of labour in areas such as bargaining, providing a voice function for staff, and a protective device against any arbitrary management behaviour. Inherent in the notion of industrial relations is the recognition of the divergent interests of capital and labour. Accordingly it is expected that the various interest groups will bargain and compete to gain a share in the balance of power within the organisation. Therefore, conflict is viewed as normal, and power as the medium for conflict resolution.

On the basis of the underlying assumptions of each, HRM and traditional industrial relations structures are viewed as potentially incompatible paradigms (Guest, 1987; Storey & Sisson, 1993). On the one hand, they are both described as being concerned with the management of labour within an organisation, and different perspectives on the same process (Flood & Turner, 1993). However, the underlying logic of HRM is seen as incompatible with the collectivist ethos of unionism (Hyman, 1989). It is in this regard that HRM is described as essentially a unitarist and individualist model of employee relations, incompatible with the traditionally pluralist nature of industrial relations. As a result of its predominant orientation, HRM constitutes a marginalisation or exclusion strategy for trade unionism (Fiorito, Lowman & Nelson, 1987).

The crux of the HRM literature tends to centralise around four main issues:

- (1) Whether or not HRM and traditional industrial relations are compatible.
- (2) Whether or not they are similar or distinctive paradigms.
- (3) Whether or not HRM excludes, marginalises or substitutes for trade unions, and
- (4) Whether or not HRM is a sustainable approach to employee relations. That is, is HRM capable of coping with the contingent nature of management over time.

Guest (1987, 1989, 1990, 1991) provides the most comprehensive inquiry into the issues outlined above. Guest's analysis presents HRM as unitarist and individualistic in focus, leaving trade unions unnecessary or at best marginal (1989). This contention is supported by research findings from large American companies, which associate the use of HRM management practices with non-unionism.

Storey & Sisson (1993) argue that there is increasingly a contemporary blurring of the boundaries between HRM and industrial relations (p.2). However, successfully integrating HRM with more traditional approaches to industrial relations will depend on two things: (1) employers co-operating with union representatives, and (2) unions adopting a less adversarial approach, so that a type of mutual commitment can be worked out (Kochan & Dyer, 1992; Brewster, 1995; Lansbury, 1995). This

manifestation is based on the assumed inherent differences, and hence tensions, between collectivism and individualism, whether or not they are alternatives, or whether they co-exist at establishment level. Guest (1990) argues that while HRM has considerable implications for traditional industrial relations, it is possible for dual allegiance to exist where a co-operative industrial relations climate exists (p.44).

HRM places significant emphasis on the competence of management, as HRM policies provide the basis for management practice. Guest (1991) identifies that the pursuit of HRM is not risk-free, but in organisations driven by market pressures to seek improved quality, greater flexibility, and constant innovation, HRM will be an attractive option (p.45). It is suggested that this management practice constitutes the 'new' industrial relations environment (Guest, 1991). Central to this debate is the question of whether in fact the 1980s was a decade of continuity or change in industrial relations. However, HRM is only one of the policy options available to management, raising the issue as to the sustainability of HRM as a management approach.

From Guest's (1991) synopsis, HRM appears to merely constitute a 'talked up' management practice (p.47). Evidence from both the USA and the UK (e.g. Storey & Sisson, 1993) indicate considerable diversity in the implementation of HRM practices and policies. This raises doubts to the extent of its application as a complete and sustainable management approach to employee relations. As yet there appears to be no evidence to support the view that HRM is a general trend in American industry. This raises the relevance of HRM as a management practice in the future.

Contributions made in the New Zealand literature remain relatively silent on the issues outlined above. Williams (1992) identifies the adoption of HRM policies and practices as coping strategies for the 1980s (p.135). Haworth (1990) suggests that what currently passes for the rise of HRM in New Zealand is little more than a 'unitarist renaissance' at the expense of an existing and pluralist system of conjoint regulation (p.127). It is also suggested that the rise of HRM is coincidental with the

emergence of a political context favourable to market-oriented and increasingly individualistic outcomes (Williams, 1992). In this regard, the New Zealand context diverges from those reported in the literature. The values underpinning the HRM model typify the New Right model of labour market reform, articulated in the Employment Contracts Act 1991. Primarily geared toward an individualist model of employee relations, Williams (1992) asserts that the ECA can be described in a real sense as an attempt to incorporate labour market flexibility assumptions into a national HRM policy (p.126).

Considering the level of empirical research in both New Zealand and abroad, a study designed to question key New Zealand business people in the private business sector about these issues, was seen as having the potential to add value to both the scholarship and the practice, of management. Twenty-two CEO's and/or Managing Directors were interviewed in order to examine three things:

- (1) The reasons behind the implementation of HRM in New Zealand organisations,
- (2) The functions of HRM as an approach to the management of employee relations, and
- (3) The sustainability of HRM as a management practice.

A number of testable propositions were formulated. These specifically related to:

- (1) Whether or not HRM is a substitution strategy for trade unionism in the New Zealand workplace;
- (2) Whether or not HRM and industrial relations are similar paradigms;
- (3) Whether or not HRM is compatible with traditional industrial relations structures and organisations, and
- (4) Whether or not HRM is a sustainable management strategy for New Zealand managers.

The findings from this study suggest that respondents sought to create an individualised employment relationship with their staff. This is consistent with a unitarist ideology which obviates the need for third party intervention. Two elements

were deemed essential prerequisites for the formulation of a satisfactory employment relationship. These were the development of a direct, close and open relationship with employees, and an environment conducive to 'teamwork'.

Levels of unionisation in the smaller organisations cited in this study were either low or non-existent. This is consistent with the sophisticated paternalist/human relations style of management. Although the predominantly larger sized organisations had higher levels of unionisation, this was not associated with a pluralist frame of reference. Associated with the constitutionalist style of management, is what I have referred to in this study as expedient pluralism – union involvement justified on the grounds of practicality and cost-effectiveness.

Respondents viewed the HRM model as primarily enhancing the profitability and competitive advantage of their organisations. They sought competitive advantage primarily through the management and minimisation of labour costs. Practices designed to produce a flexible and quality workforce were implemented to achieve this. However, respondents also identified two other advantages associated with the HRM model. These were: **(1)** eliminating pluralist industrial relations organisations and procedures, and **(2)** enhancing managerial freedom within their organisations.

No substantive association between the HRM objectives of flexibility and quality, and levels of unionisation was found. Although some respondents did not operate on the basis of an outright unitary ideology, they implemented practices which are typical of such a frame of reference. These respondents were categorised as displaying expedient pluralism. However, one respondent did show a genuine interest in pluralist industrial relations. Acknowledging this exception, underlying the assertions of virtually all other respondents was the desire to be union-free.

Noting the exception outlined above, respondents in this study were inclined to view unions favourably so long as they continued to operate with managements interests in mind. Although a strategic capacity for unions was endorsed by the majority of

respondents, this was deemed appropriate only in 'other' organisations. Respondents clearly opposed any loss of control or threat to managerial decision making power.

Respondents illuminated their undisclosed values, philosophies and strategies in two ways: **(1)** the style of management in their organisation and, **(2)** the manner in which they applied the HRM model. The management styles identified in this study were predominantly unitarist in orientation. However, one style utilised by respondents did recognise the benefits of adopting both a collectivist and individualist approach.

With regard to the theoretical propositions which informed this study, the findings suggest that HRM is not used as a deliberate means to substitute unions in the New Zealand workplace. Although the effect of implementing HRM policies and practices is union depletion, this was not disclosed by respondents as the primary reason for its implementation. Respondents justified HRM implementation and use, on the grounds of utility. Although respondents acknowledged the ability of the HRM function to eliminate traditional industrial relations, this in itself was not enough to justify a conclusion that HRM is used as a substitution strategy for trade unionism.

Respondents viewed HRM and industrial relations as two distinctive functions. This distinction was primarily on the basis of the perceived appropriateness of each model within the ambit of the ECA. HRM was seen as an appropriate model under the environment of the ECA, while traditional industrial relations was not. Respondents were inclined to view HRM as a replacement function for industrial relations organisations and procedures. They acknowledged HRM as a positive and proactive management function, which if implemented, had the capacity to minimise industrial relations problems and issues.

In terms of the compatibility of the two paradigms, the data suggests two things:

- (1)** HRM and industrial relations can co-exist, and
- (2)** Aspects of individualism and collectivism may co-exist within the employment relationship. Respondents displaying a consultative style of management utilised

aspects of collectivism and individualism. This indicated that collective arrangements and individualised HRM practices can co-exist in practice. Where the constitutional style of management was found, a direct trade-off between individualism and collectivism was apparent. Where collectivism prevailed, certain aspects of individualism were forfeited. This suggests that as collectivism declines within an organisation, practices enhancing individualism may systematically follow.

HRM as a total management approach to employee relations, was not implemented or utilised to its full potential. Just over half of the respondents had the HRM function strategically integrated in their organisations by way of an interface with business plan formulation. For the most part, respondents had line management performing HRM functions and acting in the capacity of an independent personnel manager.

The majority of respondents implemented HRM in a piecemeal fashion. Respondents primarily utilised practices oriented toward creating a flexible and quality workforce. These were identified as enhancing profitability and competitive advantage. The relative merits of commitment-type practices and integrating the HRM function in a strategic capacity, went unrecognised for many.

As a sustainable management approach to employee relations, respondents in this study clearly associated HRM practices with improving bottom-line profit. In this regard, it can be concluded that HRM will remain a strong management policy option for the future. However, while recognising the impact that HRM can have, decentralising of the HRM function to line management was reported by a number of respondents. Centralised HRM departments have become smaller. Those remaining tend to operate in an advisory capacity, giving greater autonomy and responsibility for the employment relationship to line management. Some respondents in this study went to the extent of dis-establishing their HRM function. To these respondents HRM merely constituted another management strategy to cope with the events of the 1980s. It is characteristic of the HRM literature to attempt to define models of employee relations and categorise management ideologies within organisations. In this regard, it

is appropriate to revisit the main issues in order to investigate HRM in the New Zealand context. Four distinct areas are explored:

(1) Does the New Zealand environment primarily produce a unitarist model of HRM?

From the data produced in this study, the results tend to suggest that it does. Virtually all respondents in this study operated on the basis of a unitary frame of reference. This influenced the management style adopted in each organisation, the HRM models implemented and the corresponding policies and practices. The predominance of the unitarist ideology reported in this study is consistent with other studies reported in the New Zealand literature (Deeks, Parker & Ryan, 1994). Images of 'teamwork' and 'commonality' are promoted in these organisations, even though the underlying philosophy of management is clearly the maintenance of managerial prerogative. The introduction of the ECA is also geared toward a unitarist framework by encouraging an individualistic approach to the employment relationship. As the primary statute governing employer-employee relations, the ECA abandons, among other things, the exclusive right of trade unions to employee representation.

The ECA is consistent with a union substituting approach to HRM. The models utilised by respondents were consistent with the diverse range of HRM models in the literature. Although this diversity could be justified on the grounds of no formalised theory of HRM, respondents tended to justify their approaches as best matching organisational needs. The predominant model of HRM characterised employees as valued assets. Similarly, emphasis on the adaptability and quality of employees as a source of competitive advantage was also given. This model promoted individual responsibility, accountability, and autonomy; mutuality of goals, influence, respect, rewards, and teamwork.

Two further models were also evident. These reflected senior management's recognition for the responsibility of their organisation's labour force, both present and potential. The paternalistic welfare model was characterised by a concern for staff.

This resulted in excellent staff management and welfare facilities. Senior management were in touch with, and responsive to, the concerns of staff, community and customers. This model was more inclined to operate on the basis of a 'soft' approach to HRM, aimed at gaining employee commitment to the organisation and its goals.

The production model is characteristic of the 'hard' approach to HRM. It centres itself on the 'human' as a 'resource', a factor of production, and an expense of doing business (Torrington & Hall, 1987). This model is underpinned by an emphasis on appropriate numbers and skills at the right 'price', characteristic of the profit motive driving New Zealand business. Enhancing bottom line and competitive advantage were clearly the objectives of all respondents to cope with the uncertain and highly competitive trading conditions of their operating environments.

(2) Are the unitarist models of HRM inconsistent with 'traditional' pluralist industrial relations organisations and procedures?

The results suggest that for the most part unitarist models of HRM are inconsistent with traditional industrial relations structures and procedures within New Zealand organisations. This situation was clearly illustrated by respondents of 'smaller' organisations. Within these organisations, the prevalence of unitarist ideologies and models of HRM were substantively associated with either low, or no levels of unionisation. This indicates the incompatibility of the two paradigms.

An individualised approach to employee relations was not an economic reality for all respondents in this study. The scope and size of the larger organisations made the objective of securing an individual employment relationship an impractical one. With the exception of one organisation, these respondents tended to justify union involvement on the grounds of expedient pluralism - on the basis of economic reality and practicality, as opposed to managerial support for the virtues of pluralist industrial relations. This indicated that the collectivist structures of traditional industrial

relations, and the individualist practices of the HRM model may co-exist as compatible paradigms.

(3) Does the simple divide between unitarist and pluralist conceptions of HRM sufficiently capture the contingent nature of HRM as conceived by senior managers in this study?

The results from this study suggest that HRM, as a model and a management strategy, can not be simplistically divided between the dichotomies of unitarism and pluralism. For respondents in this study, HRM was a contingent strategy dependent on, among other things, the type of employees predominantly hired, the nature of the work, the potential labour market, labour legislation, the external operating environment, the intensity of competition and the management style operational in the organisation.

For some respondents in this study, the choice to pursue and implement an HRM model on the basis of a particular ideology was not available. This was due to the nature of their industry, and the volatile market conditions associated with it. The fact that some respondents could not afford to pursue their ideal model of employee relations also obscured the boundary between unitarism and pluralism even further. This highlights the difficulty in defining the HRM model on the basis of one distinctive ideology. For the most part, commercial reality and economic viability were the determinants of respondents HRM strategy. As such, the result was often a piecemeal approach to HRM. This confirms that HRM is not a model which lends itself to a simplistic unitarist and pluralist distinction.

(4) Does management style possess utility as an explanatory vehicle?

Management style is not something that can be inferred from the outcomes of management and employee interaction. It arises out of the attitudes, beliefs and frames of references of the parties involved (Purcell, 1987). In this regard, management style refers to: **(1)** conscious management choices relating to business policy, and **(2)** delineating the boundaries and direction of acceptable management action in dealing with employees.

The values of senior management underpin the models which are utilised in an organisation. These values also dictate the type of management style which will give substance and meaning to those models. As a stand-alone model, HRM has little meaning or value. As an identifiable management strategy it should not be isolated from the managerial style in an organisation. Therefore, the importance of management style lies not so much in the categorisation of styles, but in the utilisation of those styles. In this regard, management style possesses superior utility as an explanatory vehicle for the values, philosophies and strategies of senior management – both disclosed and undisclosed.

Management style in this context is significantly undervalued in the HRM literature. Although characterised by attempts to define models of employee relations and management styles, the literature lacks substance with regard to inferring attitudes and styles from behaviour. Blyton & Turnbull (1994) discuss management style with regard to non-union firms. However, in doing so, they fail to fully exploit style as an explanatory vehicle. Legge (1995) makes brief reference to this aspect of management style by alluding to the term ‘self-reflexive’ behaviour (p.32). However, this apart, the literature remains relatively silent on the utility of management style as a device to explore management ideologies, values and strategies.

7.1 The Implications

The data suggests that a unitarist and individualist HRM model is predominant in the New Zealand context. In this regard, HRM poses a significant threat to the sustainability of the industrial relations discipline. All respondents in this study concurred that traditional industrial relations is antiquated in the environment created by the ECA. As such, the utility of the HRM model was enhanced as a replacement function for industrial relations. It logically follows that HRM as a discipline and a management practice will be pursued and implemented within organisations to achieve predominantly unitarist objectives.

The immediate effects of such policy objectives is to obviate the need for third party intervention in the employment relationship. Pursuing these objectives will not always be consistent with the collectivist structures in place in many organisations and industries. In this situation a piecemeal approach to HRM may be enacted. This may not capture the benefits of strategically applying both unitarist and pluralist models in an organisation. Similarly, if HRM is perceived as a prescriptive approach as opposed to a contingent approach, it may be overlooked, or articulated as a restrictive and outdated model. Three respondents who viewed HRM in this way abandoned HRM as an approach to employee relations.

Management style has always been an issue of strategic choice. However, the extent of its contribution to the attainment of organisational goals has largely gone unreported. Management style is in fact a major determinant in successfully implementing and achieving an organisation's business strategy. Management's ability to 'satisfy' the divergent needs of their workforce while meeting their own objectives, is vital to a successful and viable operation. Successfully managing industrial relations problems and their associated costs, is also an issue which is imperative to the viability of an organisation. In this regard, management style becomes even more of a strategic issue than accredited, especially for organisations where there is a high degree of union involvement.

7.2 The Future

The results reported in this study suggest that management style is in itself, a contingent and evolving process. The fact that HRM was articulated as a strategic management approach to employee relations in response to changes occurring in the 1980s, is indicative of this. Therefore, the sustainability of HRM as a management approach for the future is questionable. This issue was highlighted in this study by the fact that a complete model of HRM had not been implemented in any of these major New Zealand organisations. As Guest (1987) suggests, the full benefits of HRM on organisational performance may not be realised, which may lead to the abandonment of the model (p.505). To this extent HRM may be rendered a passing fad, as opposed to a sustainable management function.

The economy, legislation, politics, and the external operating environment, are all determinants influencing the articulation of business strategy and management style. Legislation which preceded the ECA was primarily designed to promote a pluralist management framework, while the passage of the ECA has seen a predominantly unitarist approach being encouraged. Legislative change in May 1991 marked the beginning of an outright individualist and unitarist model of employee relations. The election in 1996 of a coalition government, endorsing the legislative status quo, ensures in the short term the continuation of a unitarist model in the labour relations arena. With legislation sustaining management ideology, it is probable that a unitarist and individualist model of employee relations will continue. This further obviates the need for third party intervention in the employment relationship. Management style will be a major factor in securing this outcome.

From the findings reported in this study it is concluded that management style is more complex and contingent than the literature suggests. Management style is not capable of a simplistic divide between the unitarist and pluralist frames of reference. As an explanatory vehicle, it possesses greater utility than is currently accredited, especially with regard to its ability to infer implicit and explicit attitudes and styles from behaviour. To this extent, the diversity of management style, its real and potential

impact in an organisation, and upon industrial relations in an open and competitive economy, provides opportunities for scholars and practitioners of HRM alike. Therefore, with regard to management behaviour, one of the major challenges associated with defining management style in the future will be the ability to identify and categorise the driving ideologies of senior management, and hence better understand the nature of management policy and practice in the contemporary business environment.

REFERENCES

- Bain, G.S. (1989). Industrial relations. Oxford: Basil Blackwell Ltd.
- Bassett, P. (1986). Strike free: New industrial relations in Britain. London: MacMillan.
- Bassett, P. (1988). Non-unionism's growing ranks'. Personnel Management, 3, 26-32.
- Barbash, J. (1987). Like nature, industrial relations abhors a vacuum: The case of the union-free strategy. Relations Industrielles, 42, 168-179.
- Barbash, J. (1988). The new industrial relations in the US. Phase II. Relations Industrielles, 43(1), 32-43.
- Barbash, J. (1989). Equity as function: Its rise and attrition. In J. Barbash & K. Barbash (Eds.), Theories and concepts in comparative industrial relations. Columbia: University of South Carolina Press.
- Beaumont, P.B. (1986). Industrial relations policies in high technology firms. New Technology, Work and Employment, 1(2), 152-159.
- Beaumont, P. (1991). Trade unions and HRM. Industrial Relations Journal, 22(4), 300-309.
- Beaumont, P. (1992). The US human resource management literature: A review. In G. Salaman (Ed.), Human resource strategies. London: Sage.
- Bell, C., & Newby, H. (1977). Doing sociological research. London: Allen and Unwin.

Bingham, W. V. D., & Moore, B.V. (1924). How to interview. New York: Harper & Row.

Black, J.A., & Champion, D.J. (1976). Methods and issues in social research. New York: John Wiley & Sons Inc.

✓ Blyton, P., & Turnbull, P. (1994). The dynamics of employee relations. London: Macmillan Press Ltd.

Boxall, P.F. (1993). The significance of human resource management: A reconsideration of the evidence. International Journal of Human Resource Management, 4(3), 645-663.

Brewster, C. (1995). Towards a European model of human resource management. Journal of International Business Studies, 1, 1-18.

Cairns, L. (1985). New firms in the new towns of Scotland. Glasgow: Harvester.

Cooke, P., Morgan, K., & Jackson, D. (1984). New technology and regional development in austerity Britain: The case of the semi-conductor industry. Regional Studies, 18(4), 113-127.

Cradden, T. (1992). Trade unionism and HRM: The incompatibles? Irish Business and Administrative Research Journal, 13.

Crawford, A., Harbridge, R., & Hince, K. (1996). Unions and union membership in New Zealand: Annual review for 1995. Wellington: Victoria University Press.

Dane, F.C. (1990). Research methods. California: Wadsworth Inc.

- Deeks, J., Parker, J., & Ryan. (1994). Labour and employment relations in New Zealand (2nd ed.). Auckland: Longman Paul.
- De Vaus, D.A. (1995). Surveys in social research (4th ed.). Australia: Allen & Unwin Ltd.
- Fiorito, J., Lowman, C., & Nelson, F.D. (1987). The impact of human resource policies on union organizing. Industrial Relations, 26(2), 113-126.
- Flood, P., & Turner, T. (1993). Human resource strategy and the non-union phenomenon. Employee Relations, 15(6), 54-66.
- Foulkes, A. (1997, April 8). Personal Interview.
- Foulkes, F. E. (1980). Personnel policies in large non-union companies. New Jersey: Prentice-Hall, Englewood Cliffs.
- Fox, A. (1966). Industrial sociology and industrial relations. London: HMSO.
- Fox, A. (1974). Beyond contract. London: Faber & Faber.
- Freeman, R.B., & Medoff, J. (1979). The two faces of unionism. The Public Interest, 57(2), 69-93.
- Freeman, R.B., & Medoff, J. (1984). What do unions do? New York: Basic Books.
- Goldthorpe, J.H., Lockwood, D., Bechhofer, F., & Platt, J. (1968). The affluent worker: Industrial attitudes and behaviour. Cambridge: University Press.
- Guest, D. (1987). Human resource management and industrial relations. Journal of Management Studies, 24(5), 503-521.

- Guest, D. (1989). Human resource management: Its implications for industrial relations and trade unions. In J. Storey (Ed.), New perspectives on human resource management (pp. 41-55). London: Routledge.
- Guest, D. (1990). Human resource management and the American dream. Journal of Management Studies, 27(18), 503-521.
- Guest, D. (1991). Personnel management: The end of orthodoxy? British Journal of Industrial Relations, 29, 149-175.
- Hansen, T. (1997, April, 8). Personal Interview.
- Haworth, N. (1990). In P. Boxall (Ed.), Function in search of a future: Perspectives on contemporary human resource management. Auckland: Longman Paul.
- Horwitz, F. (1991). HRM: An ideological perspective. International Journal of Manpower, 12(6), 4-9.
- Hyman, R. (1989). The political economy of industrial relations. London: MacMillan.
- Ichniowski, C., Delaney, J.T., & Lewin, D. (1989). The new resource management in US workplaces. Relations Industrielles, 44(1), 97-123.
- Kochan, T.A., & Barocci, T. (1985). Human resource management and industrial relations. Boston: Little Brown.
- Kochan, T.A., & Dyer, L. (1992). Managing transformational change. Paper to Ninth World Congress of the International Industrial Relations Association.

- Kochan, T.A., McKersie, R.B., & Chalykoff, J. (1986). The effects of corporate strategy and workplace innovations on union representation. Industrial and Labor Relations Review, 39(7), 487-501.
- Labour Research. (1983). New Technology Special. London: Labour Research Commission.
- Lansbury, R. (1995). Workplace Europe: New forms of bargaining & participation. Technology, Work & Employment, 10(1), 52-74.
- Legge, K. (1995). Human resource management: Rhetorics and realities. London: MacMillan Press Ltd.
- London, S.H. (1990). The new industrial relations ideology and the decline of labour. Policy Studies Journal, 18(2), 481-493.
- McCracken, G. (1988). The long interview. California: Sage Publications Inc.
- McGovern, P.G. (1989). Industrial relations in Ireland. Contemporary issues and developments. Dublin: Mount Salus Press Ltd.
- McLoughlin, I., & Gourlay, S. (1992). Enterprise without unions: The management of employee relations in non-union firms. Journal of Management Studies, 29(5), 669-691.
- Mansor, P. (1997, 8 April). Personal Interview.
- Marchington, M., & Harrison, E. (1991). Customers, competitors and choice: employee relations in food retailing. Industrial Relations Journal, 23(4), 286-299.

- Marchington, M., & Parker, P. (1990). Changing patterns of employee relations. London: Harvester.
- Marshall, C., & Rossman, G.B. (1989). Designing qualitative research. London: Sage.
- Millward, N. (1990). Workplace industrial relations in transition. Hampshire: Dartmouth Publishing.
- Milner, S., & Richards, E. (1991). Determinants of union recognition and employee involvement: Evidence from the London docklands. British Journal of Industrial Relations, 29(1), 377-390.
- Morgan, K., & Sayer, A. (1985). Social innovation and the electronics industry: Examples from South Wales and the English sunbelt. Paper presented to the Urban Change and Conflict Conference.
- Morley, M., Brewster, C., Gunnigle, P., & Mayrhofer, W. (1996). Evaluating change in European industrial relations: Research evidence on trends at organisational level. Journal of Allied Behavioural Science, 12(3), 59-78.
- Mowaday, R.T., Porter, L.W., & Steers, R.M. (1982). Employee-organisational linkages. New York: Academic Press.
- Patton, M.Q. (1990). Qualitative evaluation and research methods (2nd ed.). London: Sage Publications.
- Poole, M., Mansfield, R., Blyton, P., & Frost, P. (1982). Managerial attitudes and behaviour in industrial relations: Evidence from a national survey. British Journal of Industrial Relations, 20(1), 285-307.

Purcell, J. (1983). The management of industrial relations in the modern corporation: An agenda for research. British Journal of Industrial Relations, 21, 1-16.

Purcell, J. (1987). Mapping management styles in employee relations. Journal of Management Studies, 23(2), 205-223.

Purcell, J., & Gray, A. (1986). Corporate personnel departments and the management of industrial relations: Two cases in ambiguity. Journal of Management Studies, 23(2), 205-223.

Purcell, J., & Sisson, K. (1983). Strategies and practice in the management of industrial relations. In G. Bain (Ed.), Industrial relations in Britain (pp. 87-108). Oxford: Blackwell.

Roethlisberger, F.J., & Dickson, W. (1939). Management and the worker: An account of a research program conducted by the Western Electric Company, Hawthorne Works, Chicago. Cambridge: Harvard University Press.

Scottish Development Agency. (1984). Labor performance of US plants in Scotland. Glasgow: Scottish Development Agency.

Schuler, R.S., & Jackson, S.E. (1987). Linking competitive strategies with human resource management practices. Academy of Management Executive, 1(3), 57-74.

Sisson, K. (1989). Personnel management in perspective. In K. Sisson (Ed.), Personnel management in Britain (pp. 29-52). Oxford: Blackwell.

Smith, P., & Morton, G. (1993). Union exclusion and the decollectivisation of industrial relations in Great Britain. British Journal of Industrial Relations, 31(1), 97-114.

Storey, J. (1992). Developments in the management of human resources. Oxford: Blackwell.

Storey, J. (1993). The take-up of human resource management by mainstream companies: Key lessons from research. The International Journal of Human Resource Management, 4(3), 529-553.

Storey, J., & Bacon, N. (1993). Individualism and collectivism: Into the 1990s. International Journal of Human Resource Management, 4(3), 665-684.

Storey, J., & Sisson, K. (1993). Managing human resources and industrial relations. Buckingham: Open University Press.

Streeck, W. (1987). The uncertainties of management in the management of uncertainty: Employers, labour relations and industrial adjustment in the 1980s. Work, Employment and Society, 1(3), 281-308.

Toner, W.P. Union or non-union? Contemporary employee relations strategies in the Republic of Ireland. PhD Thesis, London School of Economics, 1987.

Torrington, D., & Hall, L. (1987). Personnel management: A new approach. London: Prentice Hall.

Turner, T. (1994). Unionisation and HRM in Irish companies. Industrial Relations Journal, 25(1), 39-51.

Wells, D. (1993). Are strong unions compatible with the new model of human resource management? Relations Industrielles, 48(1), 56-85.

Wickens, P. (1987). The Road to Nissan: Flexibility, quality, teamwork. London: MacMillan.

Williams, A. (1992). Contracts, compacts and the common law: Some problems with new right theories of human resource management. The International Journal of Human Resource Management, 3(1), 125-137.

Wood, S. (1995). The four pillars of HRM: Are they connected? Human Resource Management Journal, 5(5), 49-59.

Wood, S., & Thurley, K. (1977). An overview of the study of management in British industrial relations. A paper presented to the Social Science Research Council Conference on The Management Function in Industrial Relations. Cumberland College, Windsor, Great Park 14-16 December, 1977.

Appendix A

**A LIST OF THE TWENTY-TWO ORGANISATIONS
WHO PARTICIPATED IN THIS STUDY**

1. Fisher & Paykel Ltd.
2. Coca Cola Amatil NZ Ltd.
3. Fletcher Challenge Construction
4. Air New Zealand Ltd.
5. BHP NZ Steel Ltd.
6. KPMG
7. Shell NZ Ltd.
8. NZ Post
9. Telecom Corporation of NZ Ltd.
10. Mobil Oil NZ Ltd.
11. Kiwi Co-op Dairies Ltd.
12. Heinz-Wattie Ltd.
13. Westpac-Trust
14. Dairy Research Institute
15. 3M NZ Ltd.
16. Foodtown
17. McDonald's System of NZ
18. Ruapehu Alpine Lifts Ltd.
19. Mallinckrodt Veterinary
20. Franklin Works Ltd.
21. Toyota NZ Ltd.
22. GEC Alsthom

Appendix B



**MASSEY
UNIVERSITY**

Private Bag 11222
Palmerston North
New Zealand
Telephone +64-6-356 9099
Facsimile +64-6-350 5608

**FACULTY OF
BUSINESS STUDIES**

DEPARTMENT OF
HUMAN
RESOURCE
MANAGEMENT

To Members of the Employers and Manufacturers Association,

Hi! My name is Michelle Wright. I am a Masters student at Massey University who is seeking volunteers, particularly from your Association, to help me conduct research for my thesis. My topic of interest and, therefore studies, are the fields of Human Resource Management and Industrial Relations.

This piece of research I am undertaking will constitute the first of its kind, not only in New Zealand, but abroad as well. Therefore, I require as many Chief Executive Officers (CEOs) or Managing Directors from medium and large size organisations as possible to become involved with this project. What will be involved I hear you ask? Approximately one hour of your time to sit with me while I ask you a few questions regarding you and your organisation.

If this sounds like you, or you simply want to find out more about my research project, please ring me directly or alternatively, talk to Jill or Brent.

I look forward to hearing from as many of you as possible! Thank you.

Michelle Wright BBS(Hons)

Appendix C



**MASSEY
UNIVERSITY**

Private Bag 11222
Palmerston North
New Zealand
Telephone +64-6-356 9099
Facsimile +64-6-350 5608

**FACULTY OF
BUSINESS STUDIES**

DEPARTMENT OF
HUMAN
RESOURCE
MANAGEMENT

13 June 1997

Dear,

Hi! My name is Michelle Wright. I am a Massey University postgraduate student completing my Masters Degree in Human Resource Management and Industrial Relations. I am currently undertaking research for my Masters thesis. This research constitutes the first of its kind in New Zealand ... and I need your help!

I am looking to involve medium to large size organisations in my research who are market leaders in their particular commercial sector. This is where I would like you to assist me. I would be very grateful if you would be the representative of your industry. I am acutely aware of time pressures and commitments associated with a position such as the one you hold, but it is an essential requirement that I interview CEOs of Managing Directors. Due to the nature of my research, I have to **exclude** interviewing the Human Resources Manager or Personnel Manager, even though this may seem to be the most logical person to talk to. By doing this, my research will be comparable to overseas studies, thereby enhancing its credibility.

What is in it for you? What is involved? When will this take place? These are questions you are probably asking yourself at the moment...

What is in it for you? A chance for your company to be the representative of your industry for this ground-breaking research. It is imperative that I have successful organisations with excellent reputations in my study. Secondly, I will be happy to supply your organisation with a copy of the research document and the results once completed.

What is involved? I have a set of 31 questions that I would like to ask you. I calculate that the interview should take approximately one hour of

your time. **You** will determine the length of the interview! The questions are designed to elicit your personal views and your organisation's philosophy on the management of your staff and in particular, the impact of Human Resource Management on industrial relations. I am not able to divulge the specific research question as doing so will effect the results. However, the questions can be broken down into four main parts:

Background information on your organisation and industry.
Management style and employee relations in your organisation.
The role of unions in your organisation.
People practices in place in your organisation.

Please note that I will not be naming you personally in my report nor will I directly associate your answers with your organisation. In this respect, confidentiality will be maintained.

When will this take place? I am wanting to conduct these interviews between the 23 June and 7 July 1997. It is up to you which day and time suits you. I will be following this letter up with a phone call this week to discuss your organisation's involvement.

I would like to conclude by reiterating the importance of this research for Human Resource Management practices and Industrial Relations in New Zealand. Your personal involvement and your organisation's input will be a great asset to this study.

Thank you for taking the time to read my letter and consider my request.

A handwritten signature in black ink, appearing to read 'Michelle Wright', with a long horizontal flourish extending to the right.

Michelle Wright **BBS(Hons)**

Appendix D

Research Questionnaire

1. What is your industry?
2. Approximately how many employees do you have in your organisation?
3. How would you describe your external operating environment?
4. What year was your organisation established?
5. Are you part of a multi-national corporation? If yes, where is the parent company based?
6. What is your parent company's stance toward trade unionism? Do they see a legitimate need or role for trade unions within the workplace?
7. What is the composition of your workforce? (e.g. females, non-European, part-time)
8. What percentage of your workforce is unionised?
9. What does Human Resource Management mean to you?
10. Do you think HRM and industrial relations are the same thing? Why/Why not?
11. Does your organisation have a formalised HRM policy? Why do you have one? If not, what are the reasons for not having one?
12. Would you describe your workforce as unionised, non-union, or partially unionised?
13. What is the role of trade unions in your organisation?
14. How involved are line management in HRM practices?
15. Is the HRM department involved in formulating your organisation's business strategy and plan? Why/ Why not?
16. In your view, what is the role for trade unions in New Zealand?
17. What is your view toward trade unions in New Zealand?
18. In your opinion, what are the advantages or benefits of the HRM policies and practices in place in your organisation?
19. Why did your organisation implement these particular HRM policies and practices?

20. Do you think an employee can be equally committed to his/her employer as well as being committed to a union? Why/Why not?
21. Do you want your organisation to be union-free? Why/Why not?
22. Do HRM practices help improve bottom-line profit?
23. In your opinion, what are the disadvantages of union organisation in a workplace?
24. How would you describe the values of senior management in your organisation?
25. Do you think HRM enhances or reasserts “management’s freedom to manage”?
26. Have you had previous experience with unions prior to working in this organisation? If yes, how would you describe your experience?
27. Are you proud of your organisation’s non-union status? Do you view it as an achievement?
28. In your opinion, what are the advantages of operating as a non-union organisation?
29. What sort of relationship does management try to foster with employees in this organisation?
30. What are the reasons for adopting this particular strategy towards employee relations in your organisation?
31. In your opinion, what has been the effect of the Employment Contracts Act 1991 on trade unions in New Zealand?

Appendix E

List of HRM Policies and Practices

Please indicate from the list of 29 HRM policies and practices below, those which are **currently** utilised in your organisation.

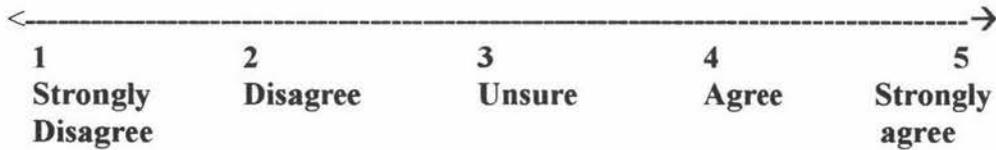
- (✓) **tick where appropriate**
- pay above average pay rates for your industry
 - own mechanism for the individual expression of grievances
 - an extensive internal communications system in place
 - conduct attitude surveys
 - quality circles operating
 - Quality of Work Life (QWL) programme in place
 - individual employment contracts
 - encourage employee involvement
 - performance-based pay system
 - profit-sharing scheme
 - team briefings
 - consultative committees
 - autonomous work groups or increased responsibility given to employees
 - long term employment security
 - opportunities for training and development
 - have a training budget
 - career ladders in place
 - reward co-operation and productivity
 - contracts which aim to “go beyond” a contract
 - Total Quality Management (TQM) practices
 - flexible work systems
 - relatively high levels of individual employee and work group participation in task-related decisions

- ___ employees formally briefed about the strategy and financial performance of their company
- ___ above average expenditure on training
- ___ selection methods that are designed to filter out those people prone to unionisation
- ___ numerical flexibility i.e. 20% or more employees who are part-time, casual, temporary or on fixed term contracts of employment
- ___ employee's jobs become wider over the years
- ___ employee's jobs become more flexible over the years

Appendix F

The Eight Likert Scales

In relation to the following six statements, please **circle** the number which most closely reflects your opinion:



1. Trade union membership should be voluntary:

1 2 3 4 5

2. Trade unions are not acting in New Zealand's economic interest:

1 2 3 4 5

3. Trade unions today still have too much power:

1 2 3 4 5

4. All in all, trade unions have more power in our organisation than management:

1 2 3 4 5

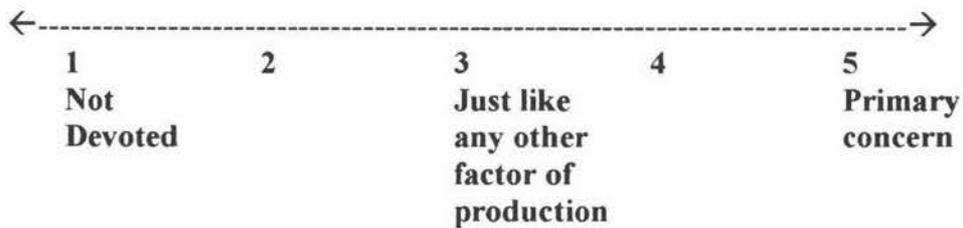
5. Unions should be solely concerned with pay and conditions:

1 2 3 4 5

6. A trade union should be prepared, if necessary, to use any form of industrial action which may be effective:

1 2 3 4 5

On a scale of 1 – 5, how much time, effort and money would your organisation devote to the management of its human resources?



On a scale of 1 – 5, what priority do you give to industrial relations issues?

