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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.**

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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.

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