WESTERN TRENDS OF HUMAN RESOURCES MANAGEMENT: THEORIES AND PRACTICES

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ABSTRACT

Western Human Resources Management (HRM) policies are influenced by certain sets of external and internal factors and divergent developed models. Nevertheless, while building up the human resources management models certain researchers have concentrated on humanitarian ground whereas others have considered human resources only as one of the tools. The practitioners chose the most beneficial HRM policy for their organizations. The authors have discussed about the influential factors that affect to build the models. These models those have been discovered and recognized at different times are also discussed in this paper. Finally, the influential factors and used models of the western HRM practices have been found and analyzed.

Keywords: Human Resources Management, factors, Models, Practices, Western

INTRODUCTION

Human resources management policies and models are designed, implemented in the Western world that includes assorted factors and ideas of the scholars and practitioners. At different times, distinct scholars Davenport and Prusak (2000) and also Nonaka (1991) have talked about HRM frameworks or models where the estimation and absorption of experiences and information can take place and also the researchers’ ideas can be applied. Davenport et al. (2000) explained that this insightful HRM framework does not only stay implanted in documents or repositories only but also inherent in the organizational routines, processes, practices and norms. Stone (2004) while working on HRM said that inspite of HRM being a management; HRM is actually a part of management that brings people to work and improve their productivity for the growth of the organization.

Armstrong (2003) mentioned in his study that HRM is a strategic, articulate method and the most values assets of the organization, where the people are working, individually and collectively contribute to the achieve the organizations’ objectives. Becher and Becher (1997) also mentioned that demanding recruitment and selection procedures, performance, contingent incentive, compensation systems and management development and training activities are the components of HRM those are linked to the needs of the organization.

Problem Statement

There is not a single, standalone, standardized and acceptable human resources management policy for all the western countries of the world. Different countries of the West are using their own customized
versions of HRM policies and practicing those particularly in numerous ways. This whole process leads to HRM deviations in different ways.

**OBJECTIVES OF STUDY**

This study has got three main objectives. Firstly, to find out the various factors affecting the formation of HRM models and HRM practices. Secondly, to find out the vital HRM models founded by various scholars affecting the composition of HRM policies and practices. Thirdly, to analyze particular Western Countries’ HRM policies and to find their influencing factors and models. From this paper, Western countries’ HRM policies can be characterized by the depicted factors and categorized as the disclosed HRM models.

Table 1: Chronology of this Study

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<tr>
<td>1</td>
<td>HRM Factors</td>
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<tr>
<td>2</td>
<td>HRM Models (linked with the factors)</td>
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<tr>
<td>3</td>
<td>Western HRM Practices (linked with the factors and the models)</td>
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**LITERATURE REVIEW**

**Factors of HRM**

HRM Policies are constructed and pretentious by specific external and internal factors of the organization. Friedman (2013) described and said that both external and internal factors are not only constructing and affecting HRM operations and practices but also always adapting to new passed legislations with an immediate effective date. Friedman (2013) also said that the corporate policies are changed where human resources feel the urge. According to the need of organizations, HRM policies are formulated based on various dimensions, factors, and characteristics.

Table 2: HRM factors (external and internal)

<table>
<thead>
<tr>
<th>External Factors</th>
<th>Regulations (Kane et al 1995, p. 621).</th>
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<tbody>
<tr>
<td>Technology (De Fillippi, 2002), Verkinderen and Altman (2002: 19-20)</td>
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<td>Economy (Friedman, 2013)</td>
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<td>Workforce, Work Life, Soc Values (Chandrakumara &amp; Sparrow, 2004)</td>
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<tr>
<td>Competition (Jackson et al., 1989; Kane et.al, 1995; Poole and Jenkins, 1996; Narasimha, 2000).</td>
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<tr>
<td>Unions &amp; Stakeholders (Kochan, Mckersie &amp; Cappelli, 1984)</td>
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<td>Culture, (Tayeb, 1998)</td>
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<td>Environment (Friedman, 2013)</td>
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<tbody>
<tr>
<td>Top Management (Ondrack&amp; Nininger, 1984), (Kane et al., 1995)</td>
<td></td>
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<tr>
<td>Line Managers (Okpara &amp; Wynn (2008:58), Alas &amp; Niglas (2008:49)</td>
<td></td>
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<tr>
<td>Power, Politics &amp; Academic Influences (Tsui &amp; Milkovich, 1987)</td>
<td></td>
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<tr>
<td>High Performance benefits, training, rewards, skillset, performance based pay, talented Individuals, workStress, workhours, Individualism (Huslid, 1995)</td>
<td></td>
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<tr>
<td>IndustrialReln, TeamWork (Kaufman, 2001)</td>
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<tr>
<td>Job Security (Martin, 1998)</td>
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</tbody>
</table>
There are many external factors that help to construct the HRM models. Different scholars have given importance to different factors. As of our concern, we feel the most necessary external factors are regulations, economy and technological advancements.

**HRM Models**

From the literature review different HRM models are found which have been constructed based on certain characteristics and factors in different time frame in the Western world. The factors found above have direct, indirect affects in the construction of these HRM Models.

**Michigan Model**: When, Devanna Fombrun & Tichy (1984) focused on hard HRM and established ‘The Michigan model’ it said that people should be managed like any other resources and so obtained cheaply, used sparingly, developed and exploited fully. It also emphasized the interrelatedness of HRM activities (Tiwari et al., 2012, p. 700). According to this model selection, appraisal, development and rewards are disbursed and dependent on higher organizational performance. Devanna (1984) described that michigan model focuses on ‘Hard HRM’ that emphasizes on organization benefits. Hard HRM refers to the kind of human resources management where employees are merely tools for production and nothing more than that. This model is constructed with certain factors, which are high efficiency, high performance and high productivity of the organizations.

**Harvard Model**: Beer, Spector, Lawrence, Mills & Walton (1984: 17) concentrated on the soft aspect of HRM and developed this “The Harvard model” where it works as a strategic map to guide all managers in their relations with employees. It focuses on employee commitment not control and three basic elements of employees which should be congruent, competent and cost effective and also three concurrent components have been discussed “HRM Policy”, “HRM Outcomes” and “Long Term Consequences” which are affected by the situational factors (both external and internal) and by ‘Stakeholders’ interests’. This model focuses on Soft HRM emphasizing the relationship between managers and employees. Soft HRM refers to the kind of human resources management where employees are treated as humans and not just tools to produce. This model is constructed with certain factors, which are managers’ role, top management, line management, stakeholders’ interests and etc.

**Commitment Model**: Walton & Lawrence (1985:9) developed this model in 1985, where the concept of commitment and mutuality has been addressed. Tiwari et al., (2012: 702) said that, “The new HRM model is composed of policies that promote mutuality – mutual goals, mutual influence, mutual respect, mutual rewards, mutual responsibility”. The policies of this theory is employee commitment based on soft HRM, stimulated by mutuality that will generate both better economic performance and greater human development automatically. This model focuses on Soft HRM emphasizing the developed strategies that create coherence between organization commitment and humane aspect. This model is constructed with certain factors, which are teamwork, rewards, training, viewpoints, industrial relation and etc.

**Warwick Model**: Tiwari et al (2012) cited the observation of Hendry & Pettigrew (1990) that the Harvard model’s restrained components were minimized the analytical components were extended; the essential foundation ‘complexed structures of organizations’ were agreed and the HRM movement was emphasized to disclose a change in industry. Therefore, all hype and hope of Hendry & Pettigrew (1990: 20) about the increasing association of features with human resources management along with the impact of personnel functional roles on human resources strategy actually developed the ‘Warwick Model’ mentioned by Sisson (1990: 1). Warwick model finalized its framework with some factors, which are scopes, coherence and direction-of existing personnel management, social values, knowledge, skill set, talented individuals, organization efficiency and technology. This model focuses on Hybrid that enhances organization performances by providing a better environment & increasing employee performance. Hybrid joins some features of ‘Hard HRM’ and Soft HRM’.

**Contingency Model**: This model was developed in 1993 that focused in achieving the balance between business and HR strategies. Purcell (1993) mentioned in his study that the managements have
a special rekindling privilege that are both a product and also have insignificant concentrated power in their hands. This model focuses on Hybrid emphasizing on developing a competence & reward culture by making the managers’ & employees work in a team and also by empowering the employees. Purcell (1993) also considers that this model has been constructed with certain factors, which are top mgt. reward, individualism, performance based pay, strategic viewpoints, work life, job security, commitment, competence, empowerment, flexibility, culture, performance, assessment, reward, teamwork, involvement, cooperation, harmonization, quality and learning and technology.

**Guest Model:** In 1997 this model was developed that worked on the ground of integrated HRM practices. This model focuses on Hybrid HRM emphasizing on superior individual innovation and on high organization performances by improving quality and by reducing cost. This model is constructed with certain factors, which are organization efficiency, performance based pay, work hours, work stress, high performance, differentiation, innovation, the focus on quality and cost reduction that lead to practices like better training, appraisal, selection, rewards, job designs, involvement, and security leading to more quality outcomes; commitment and flexibility and control. Also it will affect performance where productivity will increase; innovation will be achieved along with less absenteeism, labour turnover, and less conflict or less customer complaints.

**The Outcome Model:** But among all the models, the best practice or ‘outcome’ model (1994~2000), echoing Walton, emphasizes commitment and cultural control rather than compliance. Chandler and McEvoy (2000) pointed out that HRM that can be a single set of policies or practices that can represent to the ‘universal superior approach’ of managing people. This model focuses on Hybrid [Excellence, Flexibility, Quality, Customer Focus]. This model is constructed with certain factors which have social values, reward, team work, org. efficiency, technology, strategic viewpoints, directions, skill set and talented individuals.

**Western Human Resources Practices**

Western HRM policies practice giving more focus more on Employee benefits considering employees the most important assets, giving priority to knowledge management issues, healthy labour-management relationships and work life environment mentioned by Kufidu and Vouzas, 1998; Papalexandris, 1993; Kanellopoulos, 1990 during different studies, even though they are are distinct by characteristics and by factors. The practices are dominant by the above mentioned HRM models partially or completely.

Brewster & Bournois (1991) considered the concept of Human Resource Management (HRM), noting particularly its origin in the USA and critiques of the concept in Europe where European research project’s data are examined. They have also identified the differences between various European countries in their approach to HRM and suggested the differences between HRM in Europe and the United States. It is argued that there is a need for the development of a model, which relates more closely than the American literature to European HRM; and some tentative thoughts about such a model are proposed (Brewster et al, 1991).

There is a conflict between the ‘old managers’ and young managers’ ‘Mind setups’ where one try to hold the traditional forces and the other try to go with the progressive flow as in Common (2011) suggested that the North American and Western European public sectors’ follow orthodox HRM practices that have influenced the HRM policies of Georgia great deal. Even though most of the European countries have given quite mass importance to HRM, it is argued that the majority of the Greek enterprises have neglected human resource issues.

The HRM policies mentioned in the following table are taken from different western countries of the world those have been described by different scholars in their studies. Each country’s HRM policy has got some particular focus, influenced by certain sets of factors and is dominated by one or two previously developed HRM models.
<table>
<thead>
<tr>
<th>Country</th>
<th>Author</th>
<th>Focus</th>
<th>Factors that influences</th>
<th>Pattern</th>
<th>HRM Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>Brian Harney, Tony Dundon, Patrick Gunnigle</td>
<td>Legitimacy, Control, Heterogeneity, Changes in Mgt, Collectivism, Industrial Reln.</td>
<td>Corporate Governance, Control, Social Values, Industrial Reln, Managers’ Roles, Top Mgt., history</td>
<td>++</td>
<td>Warwick (&amp;)</td>
</tr>
<tr>
<td>Estonia &amp; Finland</td>
<td>Sinikka Vanhala, To nu Kaarelsen, Ruth Alas</td>
<td>Converging &amp; Diverging Implications</td>
<td>Industrial Reln., traditional practices, knowledge, change in mgt.</td>
<td>++</td>
<td>Warwick (&amp;)</td>
</tr>
<tr>
<td>Denmark</td>
<td>Frans Bévort, John Storm Pedersen, Jon Sundbo</td>
<td>Techno human paradigm</td>
<td>Technology, Internet, high performance, work hours, work stress, globalization, skillset, talented individuals</td>
<td>++</td>
<td>Contingency, Commitment ($*)</td>
</tr>
<tr>
<td>Croatia</td>
<td>David Taylor, E.E. (Liz) Walley</td>
<td>Strategic directions, traditional practices turning to progressive practices</td>
<td>Globalization, skillset, talented individuals, high performance, technology</td>
<td>+</td>
<td>Guest (@)</td>
</tr>
<tr>
<td>Georgia</td>
<td>Richard Common</td>
<td>Strategic integration, development, responsibility oriented, manager’s roles, personal functions, High performance benefits, High incentives</td>
<td>History, traditional practices, social values</td>
<td>+</td>
<td>Michigan (#)</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Pawan S. Budhwar, Tom Redman, Peter Allen, Jonathan Michie, Frank Wilkinson, Edward Lorenz</td>
<td>Future developments, geo-political influences</td>
<td>Change in Mgt, skillset, talented individuals, high performance, technology, managers’ roles, top mgt, reward, performance based pay</td>
<td>++</td>
<td>Contingency, Warwick ($&amp;))</td>
</tr>
<tr>
<td>Austria</td>
<td>Wolfgang Mayrhofer</td>
<td></td>
<td>Globalization, skillset, talented individuals, high performance, technology</td>
<td>+</td>
<td>Guest (@)</td>
</tr>
<tr>
<td>France</td>
<td>Ingrid Brunstein, Jonathan Michie, Frank Wilkinson, Edward Lorenz</td>
<td>Individualist, influences of bureaucracy, role of managers, High performance benefits, High incentives</td>
<td>Globalization, skillset, talented individuals, high performance, technology, reward, training, managers’ roles, control, high benefits, power</td>
<td>++</td>
<td>Contingency ($*)&amp;</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Anne Mills</td>
<td>Stakeholders’ paradigm, corporate governance</td>
<td>Industrial reln., regulations, corporate governance</td>
<td>++</td>
<td>Warwick (&amp;)</td>
</tr>
<tr>
<td>Greece</td>
<td>Leda Panayotopoulou, Maria Yakola and Eleanna Galanaki, Fotis Vouzas</td>
<td>Technology, lack of sophistications, traditional practices, neglected HR issues</td>
<td>Skillset, high performance, technology, performance based pay, work stress, work hours</td>
<td>++</td>
<td>Michigan, Warwick (#&amp;))</td>
</tr>
<tr>
<td>Hungary</td>
<td>Suzanne Richbell, László Szerb, Zsuzsanna Vitai</td>
<td>Firm performances</td>
<td>Traditional practices, social values, industrial reln, skillset</td>
<td>++</td>
<td>Michigan, Contingency (#&amp;))</td>
</tr>
</tbody>
</table>
From the above table, we can observe two major things: Firstly, Different scholars have described the HRM pathway of each significant western country along with their focus and factors. Secondly, we have interlinked these focus and factors with the HRM factors described by other scholars. And, thirdly, we have categorized the Western countries into three basic groups based on similar HRM pattern.

North America, Canada, Ireland, Georgia, Hungary, Czech Republic, Estonia and Finland pretty much follows the similar HRM practices that has dominant HRM models focusing mainly on the traditional practices where they give more importance to social values and control. Even though these countries are gradually focusing on industrial relationships, culture, managers’ roles and decision play the final key and following some HRM models like Warwick model, Contingency model and michigan model partially. However, still they are gradually creating a platform of HRM for corporate governance ultimately making the organization efficient. Other countries of Europe like United Kingdom, Croatia, Austria, France , Greece and Latin America are focusing more on skilled labours, talented individuals and high performance set. These countries are focusing more on technological advancements, high performance, high organization benefits. The work stress is high here with excess working hours but on the other hand, the incentives and benefits for employees are also quite high. There are more reward systems to motivate the employees. However, cultural obligations and traditional practices are seen less in here. Therefore, the HRM policies followed in these countries are quite distinct in nature. These countries are following mainly, Commitment Model, Contingency Model and Guest model partially and combinely.

**CONCLUSIONS**

This study has been conducted on various factors of the organizatuion that influence to create different versions of HRM models, which influence the practices, implementations of HRM policies at different countries of the West in different ways. There are key differences between the theories and practices. Therefore, the current HRM factors are addressed and the HRM models those are dominating their practices are also revealed. The Western countries HRM practices are also addressed that which country is following which HRM models partially or in combination with. Different countries of the West have chosen and given priority to some divergent HRM factors of HRM policies; suitable for their own cultural, social, economic, political and demographic environment, zonal policies and also according to the organization’s needs. However, from this paper the similar pattern of implemented HRM models of each western country has been observed and found. Also, the differences of each HRM practice can be observed. In future, these similarities and differences can be brought under one platform to combine and build one particular HRM policy for the Western countries.

**REFERENCES**


