

Models of Human Resources Management or HRM practices

By Priya Chetty on September 13, 2019

Human Resource Management (HRM) according to Armstrong (2014, p2), “is a strategic and coherent approach to the management of an organization’s most valued assets, the people working there who individually and collectively contribute to the achievement of its objectives”. HRM constitutes a system that brings together human resource philosophies, strategies, policies, processes, practices, and programs. There are various models on **HRM** developed.

Fombrun’s human resource cycle model (1984)

The Michigan model by Fombrun (1984) explains strategic **HRM** that focused on management, professional groups, and the new labor force. The main motive of the model was to align the formal structure of the organization, their new strategies, and policies with the human resource system. This helps to drive the strategic objectives of the organization in a better way. They saw the employees of the firm as a strategic resource to have a competitive advantage. Its elements include selection, appraisal, development, and rewards.

The model interlinks remuneration, assessment, development, and selection implying that there must be a horizontal alignment. The drawback of this model is that it ignores situational factors such as the interest of the stakeholders and the notion of strategic choice. It emphasizes on market performance and organization growth (Mbongaya, 2006).

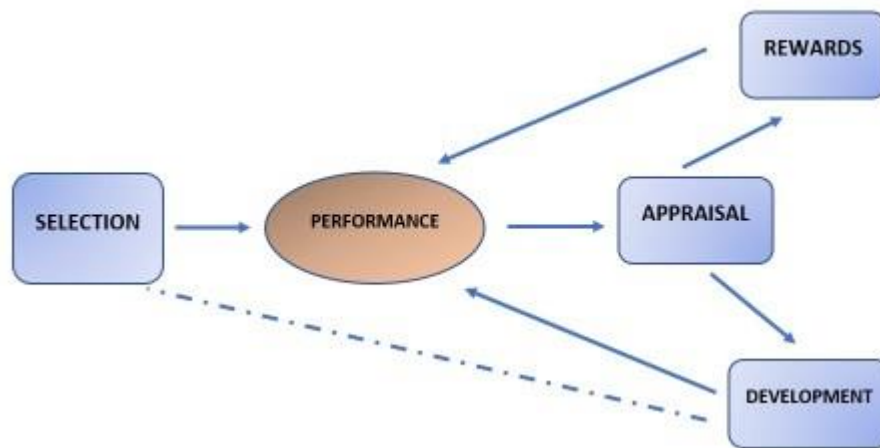


Figure 1:

Fomburn's human resource cycle model (Hendry & Pettigrew, 1990)

The Harvard framework for human resource management (1992)

Boxall and Beer from Harvard proposed the Harvard Framework of Human Resource Management in 1992 (Beer, Boselie, & Brewster, 2015). They believed in the combination of systems as bureaucrats, markets and clan approach. This can remove the limitations of a single model and hence increase efficiency, innovativeness, and reliability towards the organization's strategies (O'Riordan, 2017). This model includes the global development of businesses, the power of different stakeholders like government, labor union, management, and link corporates with human resource strategies (Poole, 2015). Hence in the globalized world, where economies are fluctuating, technologies are advancing, and customer demands are changing, organizations are forced to adopt the Harvard model on a practical basis.

This model comprises of several situational factors, interests of the stakeholders, a long-term approach and feedback process. There are various modifications done in the Harvard model from time to time to adapt to the changing environment. Their main objective is to resolve the problem of historical personnel management of traditional and routine functions (Campbell, 2003). Harvard model uses modern techniques and strategic functions. But the limitation of the model is that it ignores the hard HRM approach which shows that there is a high

chance of business failures (Brunetto, Farr-Wharton, & Shacklock, 2011).

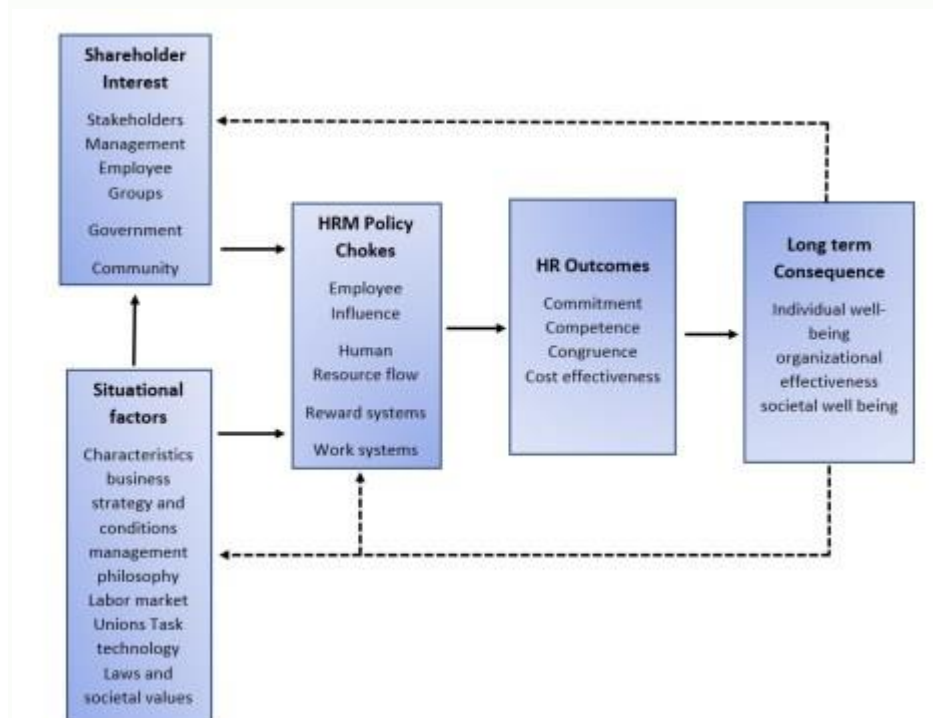


Figure 2:

Harvard's framework for HRM practices

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Guest's model of HRM

This model was developed by David Guest in 1997. It explains how **HRM** is different from personnel management (Morrow, 2000). It works on the assumption that the human resource manager begins with certain strategies, which will result in outcomes. The model integrates **HRM** practices leading to superior individual and organizational performance (Mbongaya, 2006). It has six dimensions of analysis:

1. Strategy,
2. Practices,
3. Outcomes,

4. Behavior outcomes,
5. Performance outcomes and,
6. Financial outcomes.

The essential elements of **HRM** such as that in the Harvard map have a direct relationship with valued business consequences (Price, 2017). It adds a different level of analysis in previous versions of the models. Performance is both a multi-level as well as a cross-level phenomenon. It is useful in finding a relationship between **HRM** practices and performance. The main limitation of this model is that it fails to consider that **HRM** practices differ and may complicate cross-level processes in the chain.

For example, the role of managers and supervisors in **HRM** practice is mostly undermined (Den, Boselie, & Paauwe, 2004). It also fails in level of alignment of **HRM** policies to organizational goal known as vertical integration.

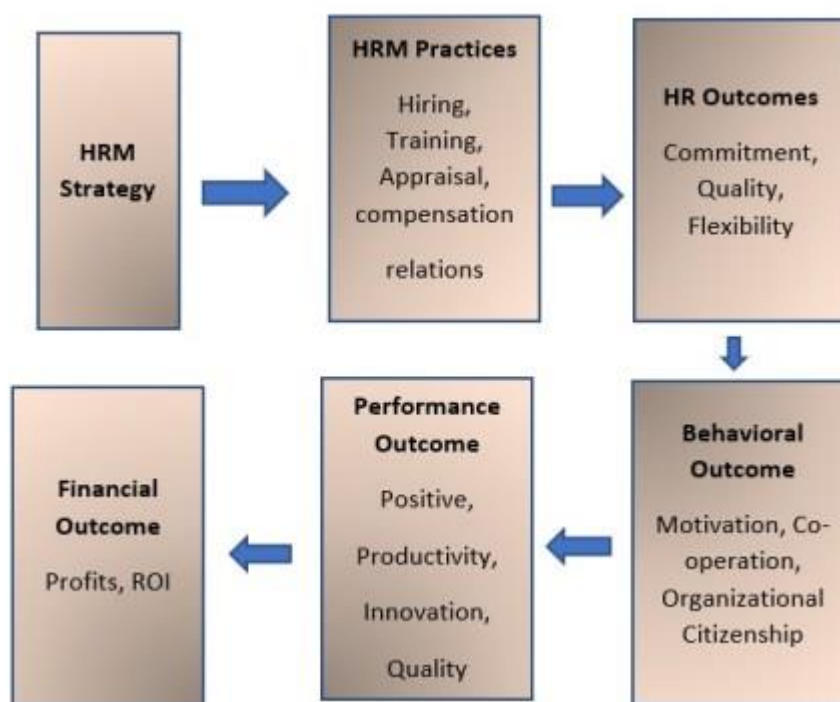


Figure 3:

Guest's model of HRM practices

Best HRM practices model

The best practice model is one that can be applied universally (Johnson, 2000). For the best fit, human resource policies must be aligned with business strategy and objectives. This can be done by checking regularly on the needs of the organization as well as employees. The best practice leads to superior business employees. These processes help the organization to have a comparative advantage. There are various practices that are universal in nature and adopting them leads to the superior performance of the organization. These are:

- employment security,
- selective hiring,
- high compensation based on performance,
- self-managed teams,
- training to have skilled workers,
- equality among workers,
- sharing essential information with the employees of the firm.

Critiques have shown various industries where a different set of policies are used (M. Armstrong, n.d.; Cappelli & Crocker-Hefter, 2003). So, there needs to be an interaction between the organization and the environment so that the policies are executed in favor of the organization. One strategy if fitted in one organization does not necessarily mean that it will fit in another. This can be due to different external environment, availability of resources, technology, management style, and working practice. Hence it is best to think of good practices rather than the best practices.

Storey's hard and soft HRM practices (1989)

The model was developed by John Storey in 1989 (Truss, Gratton, Hope-Hailey, McGovern, & Stiles, 1997). Storey talks about two forms of **HRM**. First is the 'Hard' form that focuses on the resource side of

human resources. It focuses on notions of tight strategic control. It emphasizes the role of management in cutting the cost by keeping only the required number of workers in the organization. Its main elements are close integration of human resource policies, systems, and activities with business strategy. The second form is soft **HRM** that focuses on the human side. This lays importance on communication among employees and motivation among them to lead the organization. They consider employees as a valuable asset and a source of competitive advantage because of their commitment, reliability, skills, and efficiency. This form takes the employees to determine strategic objectives (Gratton et al, 2011; MacBryde & CakarUmit, 2005).

Fombrun's model is a hard form of HRM while the Harvard model is soft form. "HRM rhetoric is generally soft and reality predominantly hard" (Gill, 2009). Thus, this model can be used to illustrate the gap between rhetoric and reality in workforce management. The disadvantage of hard HRM is that people get tired of control. The control may lead to productive efficiency for some time but in the long run, the strategy will collapse. This problem cannot be seen in the soft HRM model, but it has its own set of weaknesses. The cost of training, enhancing skills, increased wages, number of staff for support increases. Due to collaborative decisions, decision making is delayed. Sometimes, the middle managers in such a framework are discouraged as they may not find their value appreciated.

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