

# Human Resources Management In Context

**Lecture Title: Introduction to HRM in Context**



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**Masters in  
Human Resources Management**

# Group Introduction

- Introduce yourself
- Where do you come from?
- What interested you to choose this particular course?
- What do you expect to get out of it?
- Mention what is the most exciting thing that happened in your life so far.



# Introduction to HRM



# Introduction to HRM

- Group discussion –
- How do you define HRM?
- What is the scope of HRM in your opinion?



# Definition of HRM



“All those activities associated with the management of employment relationships in the firm” (Boxall and Purcell, 2016)

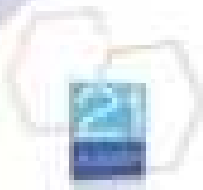
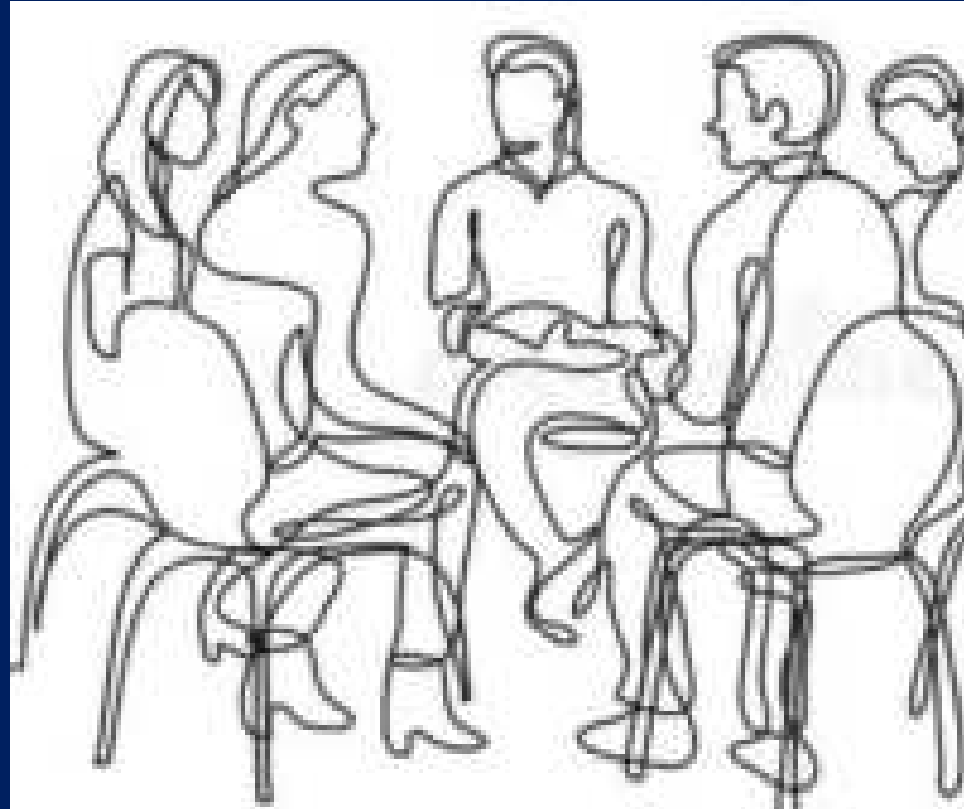


“The process of acquiring, training, appraising and compensating employees, and of attending to their labor relations, health and safety, and fairness concerns”. (Dessler, 2017)



“Human Resource Management 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.”(Armstrong, 2020)

# What is the difference between HRM and Personnel Management?



## What is the difference between HRM and Personnel Management?



“**Personnel management** is concerned with obtaining, organizing and motivating the human resources required by the enterprise” (Flippo, 1984)



“**Personnel management** tends to be **reactive and operational, often functioning independently of the organization’s strategic objectives**” (Armstrong, 2006)



“**HRM** is **proactive, strategic, and integrated**, seeking long-term employee development and organizational effectiveness” (Storey, 1995)

# Personnel Management VS HRM

## Personnel Management

- Traditional approach
- Workforce centred
- Administrative/routine approach
- People management
- Based on procedures
- Independent function
- Reactive approach
- Employee-organisation relationship

## Human Resource Management

- More modern approach
- Resource centred
- Strategic approach
- Workforce growth & development
- Based on business needs
- Integral part of overall function
- Proactive approach
- Employee engagement





# Group Activity — Match the following characteristics or functions to either PM, HRM or Both

Statement	PM / HRM / Both
Focuses primarily on administrative tasks and employee welfare	
Treats employees as valuable assets to be developed	
Emphasizes long-term strategic planning aligned with business goals	
Operates mainly in a reactive manner, solving problems as they arise	
Focus on compliance with labor laws and employment contracts	
Uses training and development as a strategic tool for competitive edge	
Centralized decision-making and control	
Performance is appraised for promotions and development	
Views people as a cost to be managed	
Integrates employee goals with organizational goals	



# Historical Development of HRM



## Scholars' contribution towards the evolution of HRM



### Frederick W. Taylor (1911)

Developed **Scientific Management**, emphasizing efficiency and productivity (early influence on Personnel Management)



### Elton Mayo (1920s-30s)

Led the **Hawthorne Studies**, focusing on the idea that employee motivation and social factors impact productivity



### Michael Beer (1984)

Co-developed the **Harvard Model of HRM**, one of the first frameworks connecting HR policies to strategic business outcomes

## Scholars' contribution to the concept of HRM evolution.



**John Storey (1992)**

Distinguished **Personnel Management** from **Human Resource Management** in academic research, emphasizing the strategic and proactive nature of HRM.



**David Ulrich (1997)**

Introduced the **HR Business Partner Model**, highlighting HR's role in driving strategy and adding value to organisations.



**Peter Boxall & John Purcell (2003)**

Advanced theories on **Strategic HRM** and its link to organizational performance

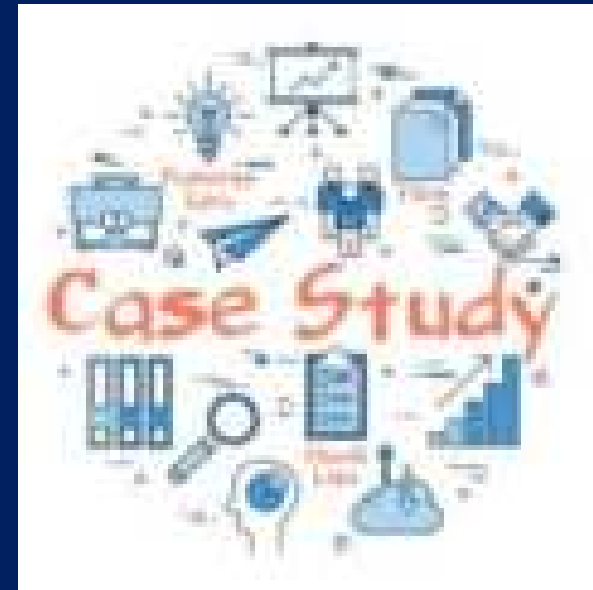
# Henry Ford's contribution to HRM evolution.

- **\$5 Workday & 8-Hour Shifts:** Ford introduced higher wages and shorter working hours to reduce turnover and improve worker loyalty and productivity, shifting the perception of workers as valuable assets.
- **Welfare Capitalism:** Implemented welfare programs (healthcare, profit-sharing, housing) to improve employee well-being, foreshadowing modern HR practices focused on **employee wellness** and **work-life balance**.
- **Sociological Department:** Introduced employee monitoring to promote "moral" behavior, highlighting early attempts at **performance management** and **organizational culture**.
- **Scientific Management:** Applied **job specialization** and **standardized tasks** on the assembly line, influencing modern HRM practices in **job design**, **training**, and **performance optimization**.
- **Legacy:** Ford's recognition of the strategic value of employees laid the foundation for the modern HRM focus on **employee engagement**, **talent retention**, and **alignment with business goals**.

# Historical Development of HRM

- Henry Ford Case Study
  - Split in 3 groups
  - Read the case study about Henry Ford
  - Focus on two questions per group
  - Present to the rest of the group

(20 minutes)

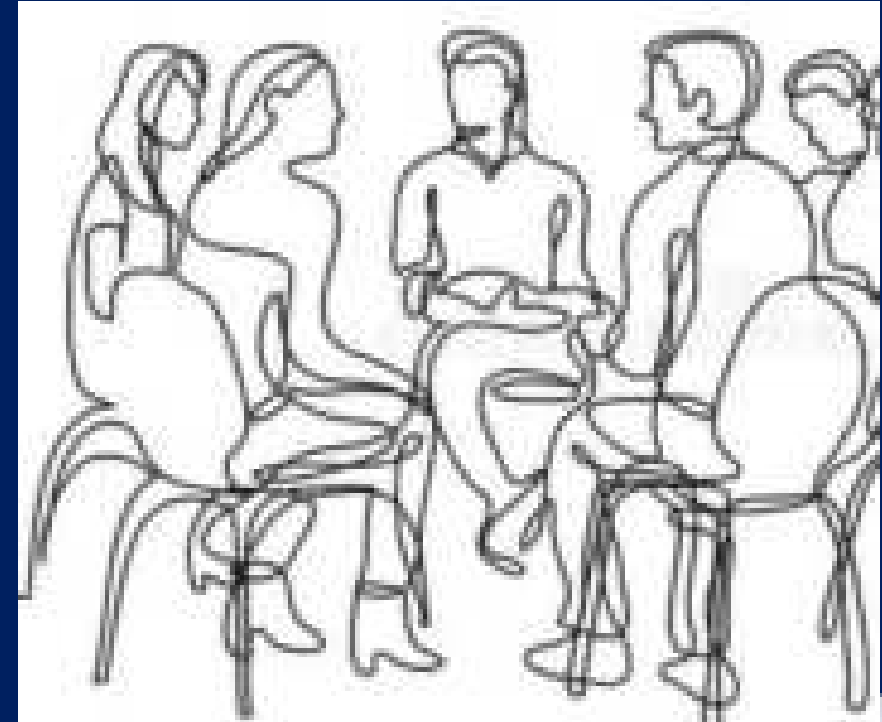


# Historical Development of HRM

## Contemporary HRM Trends

### Group Discussion:-

Can you mention some of the contemporary trends that HR professionals are facing over the last 10 years?



# Contemporary HRM Trends

Diverse teams

Hybrid Work  
Options

Implementation  
of Artificial  
Intelligence

Digital Skills

Critical Thinking

Automation of  
Tasks

Data Driven  
Strategies

Modern  
Training  
Strategies

Social Safety

Recruitment  
Marketing





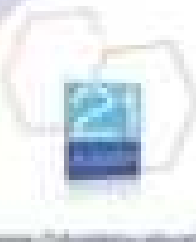


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# Theoretical Perspectives in HRM

## Group Discussion:-

Why do you think there should be a connection between HRM theories and actual practices employed within organisations?



# Theoretical Perspectives In HRM

Theories within HRM :-

- Provide structured frameworks to help decision making
- Support evidence based practices
- Enhance strategic alignment with organisational goals
- Help HR professionals understand the link between HR activities & business outcomes
- Legitimise HR practices by grounding them in scholarly research



# Theoretical Perspectives in HRM

Theory	Key Idea	Applications in HRM	Key Authors/Contributors
1. Universalist Perspective	Best HR practices lead to superior performance across contexts	Benchmarking, best practice models, high-performance work systems	Pfeffer (1998), Delery & Doty (1996)
2. Contingency Perspective	HR practices must align with context (strategy, environment)	Strategic HR planning, aligning HR with business strategy	Fred Fiedler (1964, 1967), Joan Woodward (1958), Paul Lawrence and Jay Lorsch (1967), Tom Burns and G.M. Stalker (1961)
3. Resource-Based View (RBV)	Human capital as a source of sustained competitive advantage	Talent management, knowledge management, internal development	Barney (1991), Wright & McMahan (1992)

# Theoretical Perspectives in HRM

Theory	Key Idea	Applications in HRM	Key Authors/Contributors
4. Institutional Theory	HR practices shaped by institutional legitimacy pressures	Diversity policies, CSR initiatives, compliance-driven HR practices	DiMaggio & Powell (1983), Scott (2001)
5. Behavioral Perspective	HR practices shape employee behavior to meet organizational goals	Performance management, behavioral competency models	Schuler & Jackson (1987)
6. AMO Framework	Employees perform well when given Ability, Motivation, and Opportunity	Integrated HR systems, engagement strategies, job design	Appelbaum et al. (2000)

# Theoretical Perspectives in HRM

Theory	Key Idea	Applications in HRM	Key Authors/Contributors
7. Human Capital Theory	Investment in people increases productivity and organizational value	Training and development, ROI of HR initiatives	Becker (1964), Lepak & Snell (1999)
8. Transaction Cost Economics	HR decisions should minimize transaction and operational costs	Outsourcing HR functions, make-or-buy staffing decisions	Williamson (1981), Mahoney (1992)
9. Social Exchange Theory	Employment relationship is based on mutual reciprocity and trust	Employee engagement, psychological contracts, retention strategies	Blau (1964), Cropanzano & Mitchell (2005)
10. Configurational Perspective	Bundles of HR practices must be internally coherent and strategically aligned	High-commitment HRM, HR system design, best-fit models	Delery & Doty (1996), Becker & Huselid (1998)

# Resource Based View Theory

This theory holds that an organization's competitive edge is derived from its distinctive resources, including its people resources. Companies can strengthen their market position by carefully controlling and developing these internal resources that are **Valuable, Rare, Inimitable** and **Non-substitutable (VRIN)**. Human resources are seen as valuable assets for innovation and sustainability.

HR's role is to **acquire, develop, and retain** these human resources to build sustained performance.

Key contributors:-

**Barney, J.B., 1991.** Firm resources and sustained competitive advantage. *Journal of Management*, **17**(1), pp.99–120.

**Wright, P.M. and McMahan, G.C., 1992.** Theoretical perspectives for strategic human resource management. *Journal of Management*, **18**(2), pp.295–320



# Universalist Theory

According to universalistic theory specific human resource management practices have a direct and positive impact on organizational performance irrespective of the context (Tzafrir, 2006).

Research by Mark Huselid (1995, p. 644), concluded that 'the use of high-performance work practices and good internal fit should lead to positive outcomes for all types of firms'

Key contributors:-

Pfeffer, J., 1998. The human equation: Building profits by putting people first. Boston, MA: Harvard Business School Press

Delery, J.E. and Doty, D.H., 1996. Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. Academy of Management Journal, 39(4), pp.802–835





# Universalist Theory

Pfeffer's 7 practices of successful organisations:-

- Employment security
- Selective hiring of new personnel
- Self managed teams and decentralisation
- High compensation contingent on organisational performance
- Extensive training
- Reduced status distinction and barriers
- Sharing information

Key contributors:-

Pfeffer, J., 1998. The human equation: Building profits by putting people first. Boston, MA: Harvard Business School Press

Delery, J.E. and Doty, D.H., 1996. Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurational performance predictions. Academy of Management Journal, 39(4), pp.802–835



# Contingency Theory

Unlike Universalist Theory, Contingency Theory is based on :-

Organizational effectiveness results from fitting structure, leadership, and processes to contextual factors (e.g., environment, technology, size).

Management decisions should be based on diagnosing the specific context.

HRM practices should exhibit internal and external fit.

There is no universal set of management practices that apply in all situations.

Key contributors:-

Burns, T. and Stalker, G.M., 1961. *The Management of Innovation*. London: Tavistock Publications.

Fiedler, F.E., 1964. A contingency model of leadership effectiveness. In: L. Berkowitz, ed. *Advances in Experimental Social Psychology*. Vol. 1. New York: Academic Press, pp.149–190.

Lawrence, P.R. and Lorsch, J.W., 1967. *Organization and Environment: Managing Differentiation and Integration*. Boston, MA: Harvard Business School, Division of Research

**Woodward, J., 1958.** *Management and Technology*. London: Her Majesty's Stationery Office (H.M.S.O.).

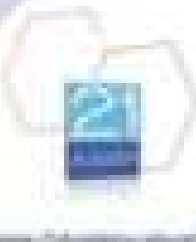
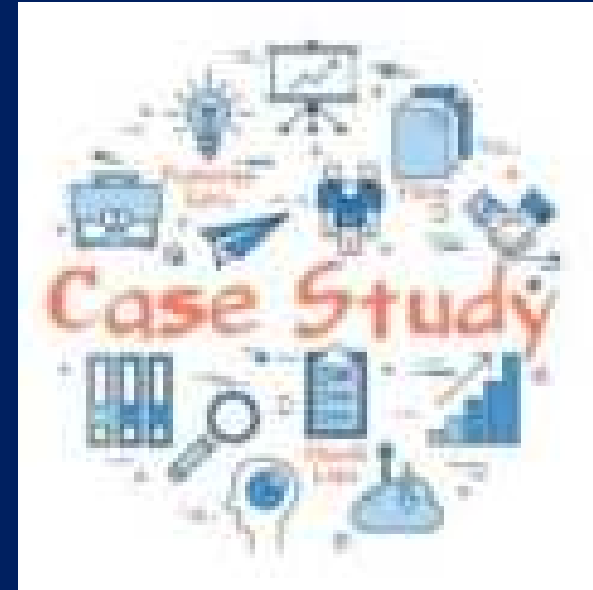


# Theoretical Perspectives in HRM

## Case Study

- Split in 3 groups
- Read the assigned case study and relevant reading material
- Discuss questions and present to the rest of the group

(20 minutes)





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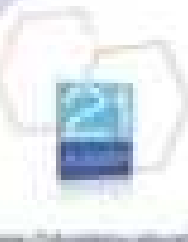
# HRM in a Global Context

Group Discussion:-

What do you understand by the term globalisation?

How do you think globalisation affects HRM practices?

What are some HR challenges a company might face when expanding into a new country?



# HRM in a Global Context

Globalization in Human Resource Management refers to the process by which firms expand their operations outside national borders, resulting in the integration and coordination of HR practices across varied cultural, economic, and legal contexts. This involves the creation of HR strategies that are responsive to global market dynamics while remaining mindful of local norms and regulations.

Globalisation can introduce HRM challenges such as managing a culturally diverse workforce, aligning global HR policies with local labor laws, and developing international leadership competencies.



# Cross Cultural Management

“Cross-cultural management explains the behavior of people in organizations and shows people how to work in organizations with employee and client populations from many different cultures. Cross-cultural management describes organizational behavior within countries and cultures; compares organizational behavior across countries and cultures; and, most important, seeks to understand and improve the interaction of co-workers, managers, executives, clients, suppliers, and alliance partners from different countries and cultures around the world” (Adler and Gundersen, 2008).



# Cross Cultural Theoretical Models

- Hofstede's Cultural Dimensions Theory
- Trompenaars' Seven Dimensions of Culture
- Hall's Cultural Context Model
- The GLOBE Study (Global Leadership and Organizational Behavior Effectiveness)





# Hofstede's Cultural Dimensions Theory

Hofstede's Cultural Dimensions Theory is one of the most influential frameworks in understanding how cultural values affect workplace behavior and organizational practices across countries.



# Trompenaar's Seven Dimensions of Culture



Expert Program Management. (2017). Trompenaar's Cultural Dimensions – The 7 Dimensions of Culture. Retrieved from <https://expertprogrammanagement.com/2017/10/trompenaar-cultural-dimensions/>



# Hall's Cultural Context Model

This model was developed by anthropologist Edward T. Hall. The model distinguishes cultures based on their communication context, dividing them into high-context and low-context cultures.

## 1. High-Context Cultures

**Communication:** Indirect, implicit, and relies heavily on context (body language, tone, shared understanding).

**Relationships:** Long-term, trust-based, and often built before business can take place.

**Information:** Much is conveyed through non-verbal cues and assumed shared knowledge.

**Examples:** Arab Countries, China, Egypt, France, Italy, Japan, Latin American Countries, Spain.

## 2. Low-Context Cultures

**Communication:** Direct, explicit, and clear. Words are the primary carriers of meaning.

**Relationships:** More task-oriented and can be formed quickly.

**Information:** Needs to be spelled out clearly and thoroughly.

**Examples:** Austria, Canada, Denmark, England, Finland, Germany, Norway, Switzerland, United States.



# HRM in a Global Context

## Group Discussion:-

### 1. How would you describe communication styles in your country?

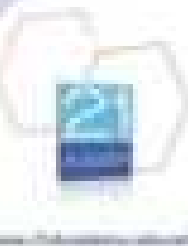
Are messages typically direct and explicit (low-context), or do people rely more on tone, body language, and shared understanding (high-context)?

Can you give examples from school, work, or daily life?

### 1. How are relationships typically formed and maintained in your culture?

Is trust built quickly through tasks and agreements (low-context), or slowly through personal relationships and shared experiences (high-context)?

How does this influence workplace or team dynamics?





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# Portfolio Exercises

Share your questions and queries



# Portfolio Exercises

## Portfolio Exercise 1 – Reflective Commentary (10% Weighting)

Word Count: ~500 words

### Task:

In your portfolio, write on the following:

- A description of what you do in your work / your area of study so far
- Outline the reasons and motivations for doing this course
- Highlight what you wish to achieve from this course
- What are your major concerns regarding studying?



# Portfolio Exercises

## Portfolio Exercise 2 – Analytical Work (25% Weighting)

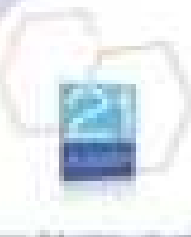
Word Count: ~500 words

### Task:

Identify and analyse at least two major barriers for successful diversity and inclusion in organisations. Discuss:

- Why these barriers persist despite corporate efforts
- How leadership style, organisational culture or unconscious bias contribute to these issues
- Suggest strategies that could help overcome these barriers

Reference at least one HRM theory or model where appropriate (e.g., Hofstede's Cultural Dimensions, Equity Theory).





# Portfolio Exercises

## Portfolio Exercise 3 – Research Based Task (25% Weighting)

Word Count: ~500 words

Choose two of the following HRM theories:

- Universalist Theory
- Contingency Theory
- Resource-Based View (RBV)
- Institutional Theory

For each theory, describe:

- The core principles of the theory
- The key scholars associated with it
- Strengths and weaknesses of the theory



# Portfolio Exercises

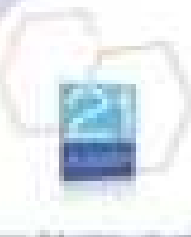
## Portfolio Exercise 4 – Practical Recommendations (25% Weighting)

Word Count: ~500 words

### Task:

Imagine you are the new HR Manager for a small start-up company (choose the industry). Recommend three essential HRM practices or policies that the company should prioritise to ensure sustainable growth and employee satisfaction.

Explain the importance of your chosen practices.



# Portfolio Exercises

## Portfolio Exercise 5 – Reflective Commentary (15% Weighting)

Word Count: ~500 words

### Task

In your final portfolio discuss:

- What you have learnt from this module
- How useful this was for your development
- Your main reflections about what you have learnt

