

The workers perceptions about human resource management function.

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There are different perspectives about Human Resource Management (HRM) function, which emphasises (1) specific knowledge that typifies some interventions \_ HRM practices such as recruitment or training; (2) the role of a regulator of relations and (3) the capability of intervention which is dependable of the degree of credibility attributed by organizational actors. This credibility is often built in turn of the organizational actors (e.g. workers) perceptions of HRM involvement on the organizations strategy.

There is a gap on the literature considering the workers perceptions of HRM. Our purpose is to contribute to the definition of HRM on the perspective of workers. We analyze the perceptions of HRM in six case studies of Portuguese SME.

We argue that there are some particular factors which are more evident to workers, and play an important role concerning the impact of HRM.

Keywords: Human Resource function; workers perceptions; case studies

### **Introduction**

There are different perspectives about Human Resource Management (HRM) function in the literature. Legge (1995) presents an interesting clarification of the concept as she discusses the change of Human Resource management focus based on *hard* and *soft* models. The former stresses the importance of “*integration of human resource policies, systems and activities with business strategy*” (p.34) adopting the perspective that the human resource, i.e, workers, is a production factor, passive and not able to add any value to what is being produced. The *soft* model, also underlining the need of integration between HRM policies and practices, consider the worker as an active, creative Human Resource, able to add value to organizational activity. This demands committed, motivated and satisfied workers. The focus of this model implies that HRM aims to develop human resources through commitment, leadership and communication and expect to impact organizational performance.

This dichotomy between hard and soft models of HRM has received several critics. As Guest (1999) points out “...*it either perceives workers as human resources to be exploited, with implications for exploitation through work intensification, downsizing and the general potential for disposability; or it claims to place the concerns of workers at the heart of analysis and action, but in fact does so only to exploit workers through a subtle management of their mind-set and by constructing for them a view of reality reflected in organizational culture.*” (p.10) And add, to this synthesis, that there is a lack of evidence to this criticism concerning the workers point of view: “...*we simply do not have good evidence about how workers react to HRM.*” (p.10).

It seems quite central the role of the worker \_ or human resource \_ on all this discussion. At least, the worker is the main and fundamental object of HRM and is considered the indispensable mean to impact organizational performance. Although recognizing workers important role in the analysis and study of HRM, there are not much evidence about the reactions of workers to HRM (Gibbs, 2001; Guest, 2002; Chang, 2005).

The purpose of this paper is to collect some evidence concerning workers' perceptions about HRM. There are some difficulties related with this objective which we will discuss on the first part of this paper.

What is Human Resource management in workers perspective? Are there some factors by which HRM are more visible to workers? Do these factors influence the capability of intervention of the function and its impact at organizational performance?

We will present and discuss the results of six case studies of Portuguese SME.

### **Perspectives on HRM concept (What is HRM?)**

Human Resource Management (HRM) is still not a consensual concept. Some authors will assume that HRM is, for example, an answer to organizational needs or a departmental activity (Legge, 1995). This example points out an important difference: a) HRM as an organizational activity disseminates all over the organization, as a distributed function not limited to a specific department or section and performed by all, from middle management to top management; b) as a departmental activity which demand specialization from does who perform HRM activities. This means that only some will perform HRM activities, i.e., a specialized and specific field of knowledge.

Some will contribute to HRM definition by clarifying how its performance can be understood and do so defining the HR function roles: *strategic*, i.e., to develop HR strategies and policies; *administrative*, to perform executive and every daily tasks and *employee facing roles*, such as welfare (Truss, 2009, p.718).

Others emphasis can be on (1) the body of specific knowledge which typifies some of the interventions \_ HRM practices such as recruitment, training or performance evaluation \_ Wall and Wood (2005, p.430) definition of HRM is "... words used to define organizational activities such as recruitment, development and management of workers" \_; (2) the role of a regulator of relations (Tyson, 1999) and (3) the capability of intervention which is dependable of the degree of credibility attributed by organizational actors (Legge, 1995).

For the purpose of this research, we considered that HRM concept integrate the following elements: HRM role (related to the organization strategy and the degree of HRM specialization), HRM practices, HRM position at organizational structure and HRM capability to intervene.

### **The workers perceptions**

The workers perceptions about HR function are important because permits a triangulation effect on the analysis of HR function (Gibb, 2001) and also contributes to overcome some methodological difficulties such those identified by Guest (1999). The recognized vacuum of data concerning HRM effects on those who are the main purpose of its activities, do not allow sustaining any critics to HRM models which have been presented in the literature, so far. He also indicates two other reasons: (1) as the link HRM and organizational performance is being discussed, the workers perceptions will permit to understand if this relation is better explained by the *hard* model, which implies intensification or effort, or by the *soft* model, i.e. through commitment.; (2) the growing importance of partnership and stakeholding, which give more importance to other organizational actors besides managers.

The workers perceptions also translate how HRM is implemented at an operational level. To be aware of this difference, mainly when this information is confronted with the perceptions of managers\_ which translate HRM' strategic role or intentions\_, will

contribute to the data analysis. Wright and Boswell (2002) call our attention to the importance of clarifying the level of analysis when we are analyzing HRM: when the source are top managers, we will be analyzing the strategic role of HRM while an operational level is more appropriated to data collected from operational managers and workers.

We should look for specific information, when evaluating workers perceptions of HRM. Guest (1999) suggests to inquiry workers about HRM practices as a form to identify the workers knowledge of HR function and specifically those practices which allow workers to express their (in) satisfaction or conflicts. In other words, to give *voice to the workers* (Batt *et al*, 2001).

## Methodology

In this study, we conducted six exploratory case studies in Portuguese SME. The chosen methodology \_ case studies\_ were due to the nature of our research purposes and the type of organizations (Yin, 1994; Curran & Blackburn, 2001).

Four of the SME are private organizations in the field of High Tech and two are in the public sector. The sample across the organization type was an opportunity sample and the facility of access dictated who was integrated in this study.

The source of data were interviews, documents (organizational reports and web pages), and observation. On two of the case studies of the public sector SME, Focus groups were used to collect data.

For the purpose of this paper, only the results of the interviews, in a total of 41, will be reported.

We interviewed the CEO, managers, the human resource manager and workers without a leadership position, from all the different organizations. Our main purpose was to understand how HR function was perceived by workers. We also considered important to interview managers as we could, identify those factors which were more evident and particular to workers by comparing their perceptions about HRM. The interviews were semi structured, lasted between 30 minutes to two hours and were integrally transcribed. A template analysis was made (King, 1998).

We questioned about HRM definition and specifically asked interviewees for evidences to support their definition of HRM, what were the position of HRM at the organizational structure and the role of HRM concerning organizational strategy. It was also asked about HRM interventions at the operational level of organizational daily activities.

## Results

### ***HRM definition*** (evidences that support the definition of HRM)

There is a clear idea that HRM is a function that manages people and its importance and need grows as the number of employees in the organization increases. *“The city hall has 200 workers, more or less. It would be very complicated if there wasn’t a team to manage all these people”*.

HRM includes two main components: an administrative *“... Perhaps the work is more bureaucratic [...] recruitment [...] see holidays, dismiss people, everything, admissions [...] process salaries...”*, and other relational/communicational *“HRM is to help people, [...] to give information, in doubts, if people needs help.”*

It is also a mean of negotiation between managers and workers - *“It’s a link between the politicians [the managers] and the worker to help to solve the problems.”*

### ***Position of HRM at the organizational structure***

At the organizations where HRM function was at the top level of hierarchy, workers' perceptions about its importance were high. "...The HR function should have, the person who manages this area should have lots of power inside the organization as much as the CEO [...] the main asset of this organization is us, the people, so [...] we had to create a department of Human Resources to understand what we could improve..."

On organizations where HRM function was integrated at the Administrative and financial area, the perceptions of ability to intervene were lower, "...we don't have autonomy to change [...] when there are changes at the organizational structure they call us [HRM] to listen to our opinion..."

### ***The role of HRM concerning organizational strategy***

The capability to influence the organizational strategy was only visible on the organizations where the HRM function had a specialist at the top level of organizational structure. "...we realized that we didn't know everything, so we decided to bring inside a person who helps us to think about HRM..."

Does organizations where the CEO performs the role of managing workers, but was not a specialist, it was visible that this happened just only to concentrate power and control the organization. "The HRM can execute but has to receive orders from above to do so".

This perception was shared by CEO and top managers but not by the workers, which recognize more clearly the HRM role at the operational level as we are going to present at the following section.

### ***HRM actions***

We found a clear understanding of HRM practices and its purposes and also the recognition of HRM importance.

Workers from the public organization had clearly point out two main HRM roles, according to Truss (2009) classification: the administrative and employee facing roles. The roles were supported by the description of HRM daily activities as recruitment, performance appraisal activities or training.

Workers from other organizations added to these interventions, those which aimed workers' satisfaction and motivation.

There was a general idea, when we were talking about an operational level, that HRM is a matter of all managers and not only of the specialist. "...it means that each manager is a HR manager. He/she can't be manager if doesn't deal with people...". This perception is stronger when the organization holds a frame of formal and well defined HRM practices.

## **Conclusions**

HRM is perceived by workers as an organizational activity performed by all managers in an organization and two main elements are stressed: administrative and relational/communicational. Workers have a clear perception of the HRM practices and understand the HRM function as a disseminate function all over the organization. This is especially clear when HRM practices are well defined and formal.

It is also patent the perceived strategic input that HRM can have to organizational strategy when the HR manager is a specialist and has a hierarchical position at top level.

Workers also have a perception of the HRM function importance and its capability to intervene by its position at the organizational structure.

Although, HRM practices are important it seems that HR managers should pay more attention to communicate to workers how this function demands specialization and technical knowledge. Organizations will gain more if the HRM function is positioned at organizational structure top level as it seems workers will perceive the function as more capable of introducing changes.

This is an exploratory study and only the results from the interviews are presented which is one of the most important limitations of this study. After the analysis and discussion of all the results, we hope to be able to increase and diversify our sample and in this way to generalize our conclusions.

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