A Reappraisal of HRM Models in Britain

by
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Human Resource Management is still struggling to find a strategic role.

For a better understanding of the subject, both management practitioners and scholars need to study human resource management (HRM) in context [1]. The dynamics of both the local/regional and international/ global business context in which the firm operates should be given a serious consideration. Similarly, there is a need to use multiple levels of analysis when studying HRM: the external social, political, cultural, and economic environment; and the industry. Examining HRM out-of-context could be misleading and fail to advance understanding. A key question is how to examine HRM in context? One way is by examining the main models of HRM in different settings. However, there is no existing framework that can enable such an evaluation to take place. An attempt has been made in this paper to provide such a framework and empirically examine it in the British context.

This paper is divided into three parts. Initially, it summarises the main developments in the field of HRM. Then, it highlights the key emphasis of five models of HRM (namely, the 'Matching model'; the 'Harvard model'; the 'Contextual model'; the '5-P model'; and the 'European model' of HRM). Lastly, we will address the operationalisation of the key issues and emphases of the aforementioned models by examining their applicability in six industries of the British manufacturing sector. The evaluation highlights the context specific nature of British HRM.

This introduction looks at the need to identify the core emphasis of the main HRM models that could be used to examine their applicability in different national contexts. Developments in the field of HRM are now well documented in the literature [2, 3]. The debate relating to the nature of HRM continues today, although the focus of the debate has changed over a period of time. At present, the contribution of HRM in improving

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the firm's performance and the overall success of any organization (alongside other factors) is being highlighted in the literature [4, 5].

Alongside these debates, a number of important theoretical developments have taken place in the field of HRM. For example, a number of models of HRM have been developed over the last 15 years or so. Some of the main models are: the 'Matching model'; the 'Harvard model'; the 'Contextual model'; the '5-P model'; and the 'European model' of HRM [6, 7]. All these models have been developed in the US and the UK. These models of HRM are projected to be useful for analysis both between and within nations. However, the developers of these models do not provide clear guidelines regarding their operationalisation in different contexts. Moreover, it is interesting to note that, although a large number of scholars refer to these models, very few have tested their practical applicability (exceptions being Benkhoff [8]; Monks [9]; Truss et al. [10]). For the development of relevant management practices there is then a clear need not only to highlight the main emphasis of the HRM models but also to show their operationalisation. Such an analysis will help to examine the applicability of these models in other parts of the world. With the increasing levels of globalisation of business such investigations have become an imperative.

Moreover, although the present literature shows an emphasis on themes such as 'strategic HRM' (SHRM), the majority of researchers persist in examining only the traditional 'hard' and 'soft' models of HRM [11]. For the growth and development of SHRM, there is a strong need to examine the applicability of those models of HRM which can help to assess the extent to which it has really become strategic in different parts of the world, and the main factors and variables which determine HRM in different settings. This will not only test the applicability of HRM approaches in different regions, but will also help to highlight the context specific nature of HRM practices.

The aims of this paper are twofold. First, to identify the core emphasis of five main models of HRM which can be used to examine their applicability in different national contexts. Second, to test empirically the applicability of these models of HRM in the British context. Before answering why this investigation is being conducted in the UK, the main models of HRM are briefly analysed.

Models of HRM

Five models of HRM, which are widely documented in the literature are chosen for analysis. They are: the 'Matching model'; the 'Harvard model'; the 'Contextual model'; the '5-P model'; and the 'European model' of HRM [12, 13, 14]. The reason for the selection and analysis of these models is two-fold. First, it will help to highlight their main contribution
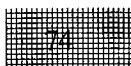
to the development of SHRM as a distinct discipline. Second, it will help to identify the main research questions suitable for examining these models in different national settings. The analysis begins with one of the traditional models of HRM.

The strategic fit of HRM

The main contributors to the 'Matching model' of HRM come from the Michigan and New York schools. Fombrun et al.'s [15] model highlights the 'resource' aspect of HRM and emphasises the efficient utilisation of human resources (like other resources) to meet organizational objectives. The matching model is mainly based on Chandler's [16] argument that an organization's structure is an outcome of its strategy. Fombrun et al. expanded this premise and developed the matching model of strategic HRM, which emphasises a 'tight fit' between organizational strategy, organizational structure and HRM system, where both structure and HRM are dependent on the organization strategy. The main aim of the matching model is therefore to develop an appropriate 'Human Resource System' that will characterise those HRM strategies that contribute to the most efficient implementation of business strategies. The Schuler group made further developments to the matching model and its core theme of 'strategic fit' in the late 1980s [17]. The core issues emerging from the matching models are:

1. Do organizations show a 'tight fit' between their HRM and organization strategy where the former is dependent on the latter? Do personnel/HR managers believe they should develop HRM systems only for the effective implementation of their organization strategies?
2. Do organizations consider their HRs as a cost and use them sparingly? Or, do they devote resources to the training of their HRs to make the best use of them?
3. Do HRM strategies vary across different levels of employees?

The soft variant of HRM

Beer et al. [18] articulated the 'Harvard Model' of HRM. It is also denoted as the 'Soft' variant of HRM [19], mainly because it stresses the 'human' aspect of HRM and is more concerned with the employer-employee relationship. The model highlights the interests of different stakeholders in the organization (such as shareholders, management, employee groups, government, community and unions) and how their interests are related to the objectives of management. It also recognises the influence of situational factors (such as the market situation) on HRM policy choices. According to this model, the actual content of HRM is described in relation to four policy areas i.e. human resource flows,

reward systems, employees' influence and work systems. Each of the four policy areas is characterised by a series of tasks to which managers must attend. The outcomes that these four HR policies need to achieve are commitment, competence, congruence, and cost effectiveness. The model allows for analysis of these outcomes at both organizational and societal levels. As this model acknowledges the role of societal outcomes, it can provide a useful basis for comparative analysis of HRM [20]. The key issues emerging from this model which can be used for examining its applicability in different contexts are:

1. What is the influence of different stakeholders and situational and contingent variables on HRM policies?
2. To what extent is communication with employees used as a means to maximise commitment?
3. What level of emphasis is given to employee development through involvement, empowerment and devolution?

The contextual model of HRM

Researchers at the Centre for Corporate Strategy and Change at the Warwick Business School developed this model. They examined strategy making in complex organizations and related this to the ability to transform HRM practices [21, 22]. Hendry and associates argue that HRM should not be labelled as a single form of activity. Organizations may follow a number of different pathways in order to achieve the same results. This is mainly due to the existence of a number of linkages between the outer environmental context (socio-economic, technological, political-legal and competitive) and inner organizational context (culture, structure, leadership, task-technology and business output). These linkages directly contribute to forming the content of an organization's HRM. The core issues emerging from this model are:

1. What is the influence of economic (competitive conditions, ownership and control, organization size and structure, organizational growth path or stage in the life cycle and the structure of the industry), technological (type of production systems) and socio-political (national education and training set-up) factors on HRM strategies?
2. What are the linkages between organizational contingencies (such as size, nature, positioning of HR, and HR strategies) and HRM strategies?

Strategic integration of HRM

The existing literature reveals a trend in which HRM is becoming an integral part of business strategy — hence, the emergence of the term SHRM. It is largely concerned with 'integration' and 'adaptation'. The purpose of SHRM is to ensure that [23]:

1. HRM is fully integrated with the strategy and strategic needs of the firm;
2. HR policies are coherent both across policy areas and across hierarchies; and
3. HR practices are adjusted, accepted, and used by line managers and employees as part of their every day work.

Based on such premises, Schuler [24] developed a 5-P model of SHRM that melds five HR activities (philosophies, policies, programs, practices and processes) with strategic needs. This model, to a great extent, explains the significance of these five SHRM activities in achieving the organization's strategic needs, and shows the inter-relatedness of activities that are often treated separately in the literature. This is helpful in understanding the complex interaction between organizational strategy and SHRM activities.

The model raises two important issues (also suggested by many other authors in the field) for SHRM comparisons. These are:

1. What is the level of integration of HRM into the business strategy?
2. What is the level of responsibility for HRM devolved to line managers?

European model of HRM

Based on the growing importance of HRM and its contribution towards economic success and the drive towards Europeanisation, Brewster [25] proposes a 'European model of HRM'. His model is based on the premise that European organizations operate with restricted autonomy. They are constrained at both the international (European Union) and national levels by national culture and legislation, at the organization level by patterns of ownership, and at the HRM level by trade union involvement and consultative arrangements [26, p. 3]. Brewster suggests the need to accommodate such constraints when forming a model of HRM. He also talks about 'outer' (legalistic framework, vocational training programs, social security provisions and the ownership patterns) and 'internal' (such as union influence and employee involvement in decision making) constraints on HRM. Based on such constraints, Brewster's model highlights the influence of factors such as national culture, ownership structures, the role of the state and trade unions on HRM, in different national settings.

The European model shows an interaction between HR strategies, business strategy and HR practice and their interaction with an external environment constituting national culture, power systems, legislation, education, employee representation and the constraints previously mentioned. It places HR strategies in close interaction with the relevant

organizational strategy and external environment. One important aim of this model is to show factors external to the organization as a part of the HRM model, rather than as a set of external influences upon it.

From the above analyses, it can be seen that there is an element of both the contextual and 5-P models of HRM present in Brewster's European model. Apart from the emphasis on 'strategic HRM', one main issue important for cross-national HRM comparisons emerges from Brewster's model. This is:

- What is the influence of international institutions, national factors (such as culture, legal set up, economic environment and ownership patterns), and national institutions (such as the educational and vocational set-up, labour markets and trade unions) on HRM strategies and HRM practices?

Recently, Budhwar and associates [27, 28, 29, 30] have proposed a framework for examining cross-national HRM. They have identified three levels of factors and variables that are known to influence HRM policies and practices and which are worth considering for cross-national HRM examinations. These are national factors (such as national culture, national institutions, business sectors and dynamic of the business environment), contingent variables (such as the age, size, nature, ownership, and life cycle stage of the organization, the presence of trade unions and HR strategies, and the interests of different stakeholders) and organizational strategies and policies (related to primary HR functions, internal labour markets, levels of integration and devolvement, and nature of work). This framework is used to examine the applicability of the issues arising from the five HRM models in British organizations. But why conduct this form of investigation, and in the British context?

As mentioned already, there is a scarcity of this type of research. So far, only Truss et al. [31] have examined the applicability of some of the models of HRM in a few UK case companies. Apart from their research, there is scarcely any study that conducts the type of investigation described here. There are, then, two main reasons for conducting this investigation in British companies. First, a UK sample possesses the characteristics suitable to test the operationalisation of the main emphases and critical issues of the five models of HRM. Second, the HRM function in the UK is under intense pressure due to competitive conditions, and the restructuring and rightsizing programmes going on in British organizations, as well as the pressure on British firms from EU and other international players to stay competitive and meet the EU regulation regarding the management of human resources. In such dynamic business conditions it is worth examining the HRM function in context. Moreover, since the five models have been developed among Anglo-Saxon nations, it is sensible to test them initially in these countries before recommending their testing in others parts of the world.

The Research Methodology

Sample and data collection

A mixed methodology, using a questionnaire survey and in-depth interviews, was adopted. During the first phase of the research, a questionnaire survey was conducted between August 1994 and December 1994 in British firms having 200 or more employees in six industries in the manufacturing sector (food processing, plastics, steel, textiles, pharmaceuticals and footwear). The respondents were the top personnel specialist (one each) from each firm. The response rate of the questionnaire survey was approximately 19 per cent (93 out of 500 questionnaires). The items for the questionnaire were constructed from existing sources, such as those developed by Cranfield researchers in their study of comparative European HRM [32] and other studies (see for example [33, 34]). The questionnaire consisted of 13 sections. These were: HR department structure, role of the HR function in corporate strategy, recruitment and selection, pay and benefits, training and development, performance appraisal, employee relations, HRM strategy, influence of national culture, national institutions, competitive pressures and business sector on HRM, organizational details. Public limited companies represented approximately one-third of the sample, with the remainder from the private sector. The industry-wide distribution of respondents is shown in Table 1.

Table 1: Sample Industry Distribution

Industry	Percentage
Food Processing	17.2
Plastics	17.2
Steel	16.1
Textiles	17.2
Pharmaceuticals	21.5
Footwear	10.8

Analysis of the demographic features of the sample suggests that the sample was representative of the total population. Sixty-two per cent of sample organizations were medium-sized and employed 200-499 employees, 14 per cent employed 500-999 employees, 15 per cent 1000-4999 employees, and 8 per cent employed 5000 or more employees.

In the second phase of the research, 24 in-depth interviews were conducted with personnel specialists representative of those firms which participated in the first phase of the research. The interviews examined six themes, *viz.* the nature of the personnel function, integration of HRM into the corporate strategy, devolvement of HRM to line managers, and the influences of national culture, national institutions and business environment dynamic on HRM.

Measures

Multiple regression analysis and descriptive statistics are used to analyse questionnaire data. Table 1 in the Appendix shows the main dependent and independent variables used for multiple regression analysis. Table 2 in the Appendix presents the mean scores of respondents regarding the influence of different aspects of national factors (culture, institutions, business environment dynamic and business sector) and HR strategies on HRM policies and practices. The qualitative data is content analysed. In the discussion, survey results are complemented by key messages coming from the qualitative interviews.
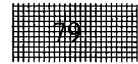
Findings of the Study

The matching models suggest a strong dependence of HRM on organization strategy, i.e. HRM is mainly developed for the effective implementation of organization strategies. The results show that in 34.6 per cent of the organizations under study personnel is involved from the outset in the formation of corporate strategy, and 42 per cent of organizations actively involve HRM during the implementation stage of their organizational strategies. Such a trend of 'active' personnel management is further evident from 55 per cent of sample organizations having personnel representation at board level. Moreover, 81.1 per cent of the respondents believe that their HRM has become proactive over the last five years (i.e. more involved in decision making).

Such results reflect the growing strategic and proactive nature of the British personnel function. There is support for such findings in the existing literature [35, 36].

The second reason to examine the matching models in a cross-national context is to assess whether human resources are considered as a cost ('use them sparingly') or as an asset (spend on training to 'make their best use'). The results suggest that British organizations claim to be spending variable though reasonable proportions of their annual salaries on human resource development (HRD) related activities (see Table 2).

Table 2: Proportion of Annual Salaries and Wages Currently Spent on Training and Development

Value (%)	Percentage of Sample
Nil	-
0.1 – 2.00	41.3
2.01 – 4.00	7.6
4.01 – 6.00	3.3
6.01 or more	1.1
Don't know	46.7
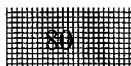
A similar pattern characterizes the number of days training provided to different levels of employees (see Table 3). The substantial majority of British firms have increased (rather than maintained or reduced) their training spend across all categories of staff over the last five years (see Table 4). There is evidence that this investment has been directed particularly in the areas of performance appraisal, communication, delegation, motivation and team building.

Table 3: Average Number of Days Training and Development Given to Staff Categories Per Year

Number of Days	Different Categories of Staff			
	Managerial(%)	Prof./Technical(%)	Clerical(%)	Manual(%)
Nil	1.2	1.1	2.3	1.2
0.1 – 3.00	24.4	22.8	35.6	24.7
3.01 – 5.00	20.9	21.7	13.8	11.7
5.01 – 10.00	7.0	14.7	4.6	11.8
10.1 and above	5.8	4.6	3.5	9.4
Don't know	40.7	40.9	40.2	41.2

These developments in the British HRD scene appear to be consistent with the increased realisation by both business and government that the development of human resources has been neglected for too long [37].

Table 4: Nature of Change in Amount of Money Spent on Training Per Employee

Nature of Change	Different Categories of Staff			
	Managerial(%)	Prof./Technical(%)	Clerical(%)	Manual(%)
Increased	59.8	63.0	53.3	60.9
Same	21.7	18.5	28.3	20.7
Decreased	7.6	8.7	7.6	7.6
Don't know	10.9	9.8	10.9	10.9

Another key emphasis of the matching model suggests a variation in HRM strategies across different levels of employees. This is clearly evident from the results as the nature and type of approach to the management of different levels of employees vary significantly (see for example, Tables 3 and 4). This aspect is further highlighted later in this paper. Based on the above evidence, it seems that the British personnel function still plays an implementationist role rather than being actively involved in strategy formulation. On the other hand, there is a strong emphasis on training and development.

Important Situational Determinants

One of the basic assumptions of the Harvard model of HRM is the influence of a number of situational factors (such as work force

characteristics, unions, labour legislation and business strategy) and
different stakeholders (such as unions, government and community) on
HRM policies. The impact of a few of the situational factors and
stakeholders (proposed by Beer et al. [38]) was examined during the
multiple regressions, analysis of means scores and the analysis of
interview results.

Taking the number of employees as a characteristic of the work
force [39, 40], the regression results show that small British organizations
(those having less than 499 employees) are likely to recruit their managerial
staff by advertising externally. Medium size organizations (those having
500 to 999 employees) are likely to recruit their clerical staff as apprentices.
Large organizations (those having 1000 to 4999 employees) are more
likely to use assessment centres to train their human resources. Lastly,
very large firms (having over 5000 employees) are less likely to recruit
their managerial staff by advertising internally and their manual staff
through the use of word of mouth method. These firms are likely,
however, to recruit their professional staff with the help of consultants.
Moreover, large UK firms are more likely to adopt formal career plans,
succession plans and planned job rotation to develop their human resources
(for details see Table 1 in Appendix).

Support for these findings can be found in the literature (see for
example, [41]). The size of an organization has a positive relation with the
formalism of their HRM policies [42]. Therefore, as the size of the firm
becomes large, logically, the degree of formalism of its personnel function
increases and the organization obtains the help of recruitment agencies to
recruit its professional employees.

The results show a strong impact of labour laws, educational and
vocational training set up (highlighting government policy) and unions on
British HRM policies (see Table 2 in Appendix). Unions in the UK are
now playing a more supportive role [43]. The implementation of labour
legislation is also having significant influence on UK HRM policies.
Various pressures groups also contribute in this regard (for example,
against age discrimination). Over the last decade or so, the education and
vocational set-up in the UK has initiated a number of programmes and
qualifications such as the national vocational qualifications (NVQs),
investors in people (IIP) and 'opportunity 2000'. These are now significantly
influencing HRM in British organizations [44].

The results also show a number of significant regressions regarding
the impact of HR strategies on British HRM. Results in Table 1 in the
Appendix show that organizations pursuing a cost reduction strategy are
more likely to recruit their clerical and manual staff as apprentices. These
organizations are likely to adopt an effective resource allocation HR
strategy. Organizations pursuing a talent improvement HR strategy are
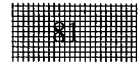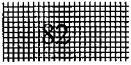
less likely to recruit their manual staff by word of mouth method. However, sample firms pursuing a talent acquisition HR strategy are likely to use consultants to recruit their managerial staff and recruitment agencies for manual staff. These organizations are also likely to adopt assessment centres to train their staff.

Most of the above results seem to be logical. For example, by recruiting employees as apprentices organizations not only pay them less but also train and prepare them for working in the long run in their organizations. Hence, it helps to reduce the costs. Similarly, by recruiting employees externally, organizations increase the opportunity to improve their talent base.

The second key emphasis of the Harvard model of HRM suggests extensive use of communication with employees as a mechanism to maximise commitment [45, p. 63]. Ninety-one per cent of British organizations share information related to both strategy and financial performance with their managerial staff. However, this percentage is significantly lower for other categories of employees (see Table 5).

Table 5: Employees Formally Briefed about Strategy or Financial Performance

Type of Information	Different Categories of Staff			
	Managerial(%)	Prof./Technical(%)	Clerical(%)	Manual(%)
Strategy	-	8.0	8.6	6.4
Financial Performance	6.5	14.8	39.5	38.5
Both	91.3	65.7	42.0	23.6
Neither	2.2	11.6	9.9	31.5

There can be a number of explanations for the difference in the sharing of strategic and financial information with different levels of employees in British organizations. Whilst noting that top personnel specialists are now more and more involved in strategy making, it seems that top management continue to be reluctant to devolve responsibility to line managers for the dissemination of financial and strategic information. These issues are further examined when discussing the 5-P model.

The above discussion suggests applicability of the Harvard model of HRM in British organizations. The results showed an impact of labour laws, education vocational set-up, unions, work force characteristics and HR strategies on HRM policy choices. There are encouraging results on the communication of information with different levels of employees regarding sharing strategic and financial performance and on employee development through their involvement and training.

Contextual Factors

The main issue against which the relevance of the contextual model can be evaluated is the impact on HRM policies and practices of economic

(characterized by competitive pressures, ownership and life cycle stage), technological (type of production system) and socio-political (characterised by national education and training set-up) factors and organizational contingencies (such as size, age and nature of organization).

The results show a strong influence of competitive pressures on British HRM policies and practices (see Table 2 in Appendix). To achieve a competitive edge in such situations, they are focusing particularly on total customer satisfaction and the restructuring of their organizations. As competitive pressures are also forcing British organizations to enter into new business arrangements (such as alliances), so these are having direct influence on HRM policies and practices.

The results also show the impact of increasingly sophisticated information and communications technology on HRM policies and practices (see Table 2 in the Appendix). Further evidence indicates that the majority of respondents suggest these technologies mainly influence training, appraisal and transfer functions. Why? Because with the change in technology, employees need to be trained to handle it. To see if they have achieved the required competence they are appraised and if required, transferred to suitable positions.

Finally, we summarise the relevance of the contextual model of HRM in terms of the impact of organizational contingencies. Contingent variables such as size of the organization, presence of HR strategy and presence of unions were examined above, as were the impacts of ownership and organizational life cycle stage. These variables do not seem significantly to impact HRM in British organizations.

Nevertheless, there is significant evidence overall regarding the applicability of the contextual model of HRM in British organizations.

Strategic Integration and Devolvement of HRM in Britain

Our discussion now focuses on the relevance of the '5 P' model of HRM in British organizations. To achieve this, results regarding the integration of HRM into corporate strategy and the devolution of responsibility for HRM to line managers are examined. The detailed results are presented elsewhere [46], but are summarized below.

In brief, the level of integration is measured on the basis of the following four scales:

a) representation of Personnel on the board;
b) presence of a written Personnel strategy;
c) consultation of Personnel (from the outset) in the development of corporate strategy; and
d) translation of Personnel/HR strategy into a clear set of work programmes.
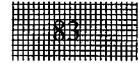
The level of devolvement is measured on the basis of the following three scales:

a)   primary responsibility with line managers for HRM decision making (regarding pay and benefits, recruitment and selection, training and development, industrial relations, health and safety, and workforce expansion and reduction);

b)   change in the responsibility of line managers for HRM (regarding pay and benefits, recruitment and selection, training and development, industrial relations, health and safety, and workforce expansion and reduction); and

c)   percentage of line managers trained in performance appraisal, communication, delegation, motivation, team building and foreign language.

High integration is the result of personnel representation at board level, the personnel function being consulted about corporate strategy from the outset, the presence of a written personnel strategy, and the translation of such a strategy into a clear set of work programmes. As mentioned earlier, the personnel function is represented at board level in the majority (55 per cent of organizations). For our sample companies, 87.4 per cent have corporate strategies. Of these, 34.6 per cent consult the personnel function at the outset, 42 per cent involve personnel in early consultation, and only 13.6 per cent involve personnel during the implementation stage. Over a quarter (26.4 per cent) of sample organizations did not have a personnel strategy, 29.9 per cent had an unwritten strategy and 43.7 per cent had a written personnel strategy. A clear majority (57.4 per cent) of organizations felt that their personnel strategy was translated into clear work programmes.

High devolvement is the result of: primary responsibility for pay, recruitment, training, industrial relations, health and safety and expansion/reduction decisions lying with the line (see Table 6); line responsibility for these six areas on an increasing trend (see Table 7); and, evidence of devolved competency with at least 33 per cent of the workforce being trained in appraisals, communications, delegation, motivation, team building and foreign languages.

Budhwar's [47] analysis shows that when the four measures of integration are summated and divided into a single scale of high and low type, 50.5 per cent of the sample organizations would be categorised as having high integration and 49.5 per cent fall into the low integration category. The average score of the summated integration scale for all 93 organizations is .50. These results show a moderate level of integration being practised in the sample industries. On the other hand, the summated scales demonstrate a low level of devolvement. Sixty-one per cent of the sample practise low levels of devolvement of HRM to line managers.

Table 6: Primary Responsibility for Major Decisions on Personnel Issues

Personnel Issues Related to:	HR Dept.	Line Mgt.	Line Mgt in Consultation with HR Dept.	HR Dept. in Consultation with Line Mgt.
Pay and Benefits	48.3	14.3	11.0	26.4
Recruitment and Selection	17.2	12.9	34.4	35.5
Training and Development	15.1	18.3	22.5	44.1
Performance Appraisal	17.5	6.9	30.4	45.2
Industrial Relations	36.3	13.2	25.3	25.2
Health and Safety	18.5	32.6	19.6	29.3
Workforce Expansion/Reduction	19.4	19.4	44.1	17.1
Work System/Job Design	7.6	33.7	40.2	18.5

Figures in the above cells represent valid percentage, calculated after excluding the missing values.

Table 7: Change in Responsibility of Line Management for Different Personnel Issues

| Personnel Issues	Increased (%)	Same (%)	Decreased (%)
Pay and Benefits	27.2	65.2	7.6
Recruitment and Selection	43.5	48.9	7.6
Training and Development	69.6	23.9	6.5
Performance Appraisal	60.0	37.8	2.2
Industrial Relations	28.9	63.3	7.8
Health and Safety	61.5	35.2	3.3
Workforce Expansion/Reduction	38.9	54.4	6.7
Work System/Job Design	43.3	53.3	3.3

The results confirm the relevance of the 5-P model of HRM in British organizations. They also help to examine the main emphasis of Brewster's [48] European model of HRM, i.e. the linkages between corporate strategy and HRM strategy.

Conclusion

Overall, the results show a mixed picture, i.e. from strong to moderate applicability of the mentioned HRM models in Britain. The study aimed to examine HRM in context, and the findings should be useful for relevant policy makers. In particular, it seems that the sample firms are practising a relatively low level of devolvement in comparison to the integration function. If the HRM function is to become more strategic, then the level of practice of both these concepts has to increase. Such demands are likely to increase in future as more and more firms restructure and become lean in order to respond to competitive and other pressures [49].

The study has two main limitations. First, it is restricted to six industries of the UK manufacturing sector. Second, the views of only top
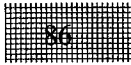
personnel specialists were examined. In order, therefore, to obtain a more comprehensive picture, research needs to be extended to other business sectors and to the views of other key actors (such as line managers). Future research could also build upon this study by investigating other models of HRM and their applicability in different national contexts.

Appendix

### Table 1: Factors Determining HRM Practices in British Organizations

Independent Variables	Dependent Variables	R^2	Beta	t value
Introductory lifecycle stage	Training and development through planned job rotation	0.2102	0.2984*	2.3790
	Communication through immediate superior	0.1629	-0.2663*	-2.0720
Turnaround lifecycle stage	Recruiting managerial staff by advertising externally	0.3695	-0.3038*	-2.6170
Less than 499 employees	Recruiting managerial staff by advertising externally	0.3695	0.3658**	3.0590
	Recruiting clerical staff from recruitment agencies	0.1014	-0.3184*	-2.4220
Between 500-599 employees	Recruiting clerical staff as apprentices	0.3337	0.2891*	2.4600
Between 1000-4999 employees	Training and development through assessment centres	0.2607	0.3547**	2.8530
More than 5000 employees	Recruiting managerial staff by advertising internally	0.1563	-0.2835*	-2.1800
	Recruiting professionals/technical staff by use of search/selection consultants	0.1039	0.3223*	2.4550
	Recruiting manual staff by word of mouth	0.3698	-0.4529**	-3.9340
	Training and development through formal career plans	0.1406	0.375**	2.9170
	Training and development through succession plans	0.1685	0.4105**	3.2460
	Training and development though planned job rotation	0.2102	0.3873**	3.0880
Public Limited Company	Recruiting managerial staff by advertising externally	0.3695	0.4436**	3.8050
State-owned organization	Recruiting managerial staff from current employees	0.0830	-0.2881*	-2.1700
	Recruiting clerical staff from current employees	0.2842	-0.2583*	-2.0650
	Recruiting manual staff by word of mouth	0.3698	-0.3342**	-2.9100
Organizations incorporated between 1869-1899	Communication through trade unions or work councils	0.7445	-0.216**	-3.0370
Organizations incorporated between 1900-1947	Recruiting manual staff from current employees	0.1557	0.2609*	2.0240

Table 1 Continued:

| Independent Variable	Dependent Variables	R^2	Beta	t value
Organizations incorporated between 1948-1980	Recruiting clerical staff by advertising externally	0.2465	-0.3931**	-3.2110
	Recruiting manual staff by advertising externally	0.1974	-0.2767*	-2.1550
	Training and development through assessment centres	0.2607	0.4364**	3.3780
	Communication through immediate superior	0.1629	-0.3255*	-2.5320
	No formal communication methods	0.3517	0.3265**	2.7370
	Communication through suggestion box(es)	0.0858	0.2929*	2.2090
Cost reduction HR strategy	Recruiting clerical staff from current employees	0.2842	-0.3019*	-2.4240
	Recruiting clerical staff as apprentices	0.3337	0.4182**	2.9450
	Recruiting manual staff as apprentices	0.1330	0.3646**	2.8240
Talent improvement HR strategy	Recruiting manual staff by word of mouth	0.3698	-0.3655**	-3.2440
Talent acquisition HR strategy	Recruiting managerial staff by use of search/selection consultants	0.0777	0.2787*	2.0930
	Recruiting manual staff from recruitment agencies	0.0914	0.3024*	2.2880
	Training and development through assessment centres	0.2607	0.2857*	2.2090
Effective resource HR strategy	Recruiting clerical staff as apprentices	0.3337	0.2882*	2.0300
Unionised firms	Recruiting managerial staff by advertising externally	0.3695	0.3593**	2.9750
	Recruiting manual staff by advertising internally	0.1226	0.3502**	2.6960
	Communication through attitude survey	0.3517	-0.255*	-2.1820
	Communication through trade unions or work councils	0.7445	0.5656**	6.4000
*Significance at .05 level; ** Significance at .01 level*				
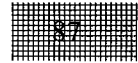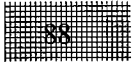
## Table 2: Influence of Different Aspects of National Factors on HRM

	Aspects of National Culture	No. of Cases	Mean
1	Way in which managers are socialised	84	18.07
2	Common values, norms of behaviour and customs	81	20.28
3	The influence of pressure groups	58	10.47
4	Assumptions that shape the way managers perceive and think about the organization	84	25.98
5	The match to the organization's culture and 'the way we do things around here'	86	35.58
	National Institutions		
1	National Labour Laws	82	40.91
2	Trade Unions	61	21.72
3	Professional Bodies	56	15.11
4	Educational and Vocational training set-up	84	27.62
5	International Institutions	54	20.07
	Aspects of Business Environment		
1	Increased national/international competition – Globalisation of corporate business structure	72	27.56
2	Growth of new business arrangements, e.g. business alliances, joint ventures and foreign direct investment through mergers and acquisitions	66	19.01
3	More sophisticated information/communication technology or increased reliance on automation	70	19.62
4	Changing composition of the workforce with respect to gender, age, ethnicity and changing employee values	48	12.39
5	Downsizing of the workforce and business re-engineering	69	23.13
6	Heightened focus on total management or customer satisfaction	78	26.92
	Aspects of Business Sector		
1	Common strategies, business logic and goals being pursued by firms across the sector	71	22.95
2	Regulations and standards (e.g. payments, training, health and safety) specific to your industrial sector	79	20.35
3	Specific requirement/needs of customers or suppliers that characterise your sector (i.e. supply chain management)	82	28.96
4	The need for sector-specific knowledge in order to provide similar goods/services in the sector	56	15.35
5	Informal or formal benchmarking across competitors in the sector (e.g. best practices of market leaders)	61	16.39
6	Cross-sector co-operative arrangements, e.g. common technological innovations followed by all firms in the sector	37	10.54
7	Common developments in business operations and work practices dictated by the nature of the business	49	14.40
8	A labour market or skill requirement that tends to be used by your business sector only	39	13.10

Respondents were asked to allocate a total of 100 points to the different aspects of the above national factors.

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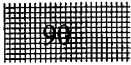
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