

Chapter 4

Employee Relations & The New Psychological Contract

Guidance Note For Students

The activities that follow are designed to be used with HRM: An Integrated Approach. Read chapter four, which provides both the answers in easy to follow sections and guidance on other areas of the book that can help you with your studies.

Learning Outcomes

After reading and completing the activities in this chapter you should be able to:

1. Appreciate the context and value of effective employee relation's strategy.
2. Understand the importance of providing HR policies that improve the implementation of change in modern organisations.
3. Critically evaluate the use of the field force analysis model to organisational change processes.
4. Recognise the role of HR in managing employee relations.
5. Evaluate and apply the socio-technical model to organisational change processes
6. Apply sector analyse to the application of HR reward management interventions and strategies.
7. Understand the value and place of organisational corporate memory.

8. Compare the old psychological contract with modern alternatives.
9. Evaluate the implications of change & psychological contracts in organisations.
10. Critically evaluate modern psychological contracts and the influence they have on HR policy and practice.
11. Recognise the importance of developing employability to enhance modern employee relations.

Note to Students:

Can You Tell Me All The Answers Please?

In common with the vast majority of students, you want to do really well in your study programme. There are grades to attain and employers to impress...

You may like to believe that there are perfect answers that can give you perfect grades. Indeed, if this were an elementary mathematics handbook you would be correct. However, with people simple sums do not always produce neat solutions.

So, can I reassure you that I do not have all the answers to everything, and neither does anyone else! What I would encourage you to do is engage in discussions with your fellow students, read different writers ideas and listen to your lecturers. Your lecturers have invested many hours, years in doing what you are setting out to do so they are excellent guides to help you succeed. Learn to think for yourself and integrate ideas across disciplines and subject areas. Think outside the boxes.

Practicing HRM: Researching Organisational Performance Following Downsizing

Activity (A) is for HR students conducting primary research projects.

Activity (B) is for students conducting secondary research work such as case studies and library searches.

1. If you are researching an organisation for your course, consider asking employees about whether there have been significant redundancies in the organisation and their attitudes towards the organisation and its management. You may find it helpful to supplement your own primary research questions with the questionnaire listed below.

Listed below are a series of statements that represent possible feelings that individuals might have about the company or organisation for which they work. With respect to your own feelings about the particular organisation for which you are now working please indicate the degree of your agreement or disagreement with each statement by checking one of the alternatives below each statement.

How to fill in the questionnaire: (1) strongly disagree; (2) moderately disagree; (3) slightly disagree; (4) neither agree nor disagree; (5) slightly agree; (6) moderately agree; (7) strongly agree.

1. I am willing to make a lot of effort beyond that normally expected in order to help this organisation be successful.
1 2 3 4 5 6 7
2. I am positive about this organisation in the conversations I have with people.
1 2 3 4 5 6 7
3. I feel very little loyalty to this organisation.
1 2 3 4 5 6 7
4. I would accept almost any type of job assignment in order to keep working for this organisation.
1 2 3 4 5 6 7
5. I find that my values (what is important to me) and the organisation's values are very similar.
1 2 3 4 5 6 7

6. I am proud to tell people that I am employed (or work as a volunteer) with this organisation.
- 1 2 3 4 5 6 7
7. I could just as well be working for a different organisation as long as the kind of tasks/ pay was similar.
- 1 2 3 4 5 6 7
8. This organisation really inspires/ encourages me to do my very best work.
- 1 2 3 4 5 6 7
9. It would take very little change in my present circumstances to cause me to leave this organisation.
- 1 2 3 4 5 6 7
10. I am very happy that I chose this organisation to work over others I was considering joining.
- 1 2 3 4 5 6 7
11. There's not too much to be gained by staying with this organisation for a many years.
- 1 2 3 4 5 6 7
12. Often, I find it difficult to agree with this organisation's policies on important matters relating to employees.
- 1 2 3 4 5 6 7
13. I really care about the fate of this organisation.
- 1 2 3 4 5 6 7

Alternatively, if you choose to conduct secondary research consider the following:

1. If you HR studies do not include primary research activity consider selecting an organisation from the quality press reports on your learning resources centre information base where a significant downsizing programme has taken place in the last few years. Then

look for more recent reports about the organisation's financial/ employee relations/ performance.

Discuss the following questions:

1. Has the organisation reaped large benefits from the redundancies?
2. Remained the same?
3. Deteriorated?
4. Discuss the significance of what you find with regard to the possible implications for future HR policy.

Guidance Note For Students

If you are new to research, read the sections on how to conduct research in chapter 11. You will also find the report writing and presentation of work material in chapter 12 useful.

The questionnaire sample above is a guide to help you begin constructing your own research tools. So don't feel confined to use the same questions as in my example. Do discuss your ideas with your tutor, **before** you begin your research project.

Exercise: Evaluating Change Why Do People Resist Change?

Consider the following scenarios:

1. You are working on a team project with four other students, who are working very well. The tutor asks if you would like to change teams to gain experience of a wider range of team working situations. Your course grades are based on the teamwork. Do you accept the change or decline?
2. The courses that you selected for your final year were to be taught by a HR lecturer you have known since you began your course. The lecturer has been very encouraging and awarded you some first class grades. Just before the semester begins you hear that the lecturer has been

given responsibility for a new post-graduate programme and a new tutor has been appointed to deliver your courses. How do you feel about the change?

3. The college you attend has just built a new, state of the art, business school on the other side of town. You live near the old college and most of your friends' courses will remain in the old building. You are told that as of the next semester all your courses will be taught in the new business school. No one asked your opinion about this change. What is your reaction?
4. You have just completed the first stage of an undergraduate degree with a college that receives its degree awards from a prestigious university. Your degree would therefore be from that university. However, your college has just decided to apply for independent status and renames itself by the local town where it is situated. How do you think the change might impact on the status of your degree?

Guidance Note For Students

Change is easy, so long as it's not us making the adjustments! The questions above place you in the change situation. Think about transferring what you have learnt to the workplace. Employees usually require a lot of convincing before they agree to a change in their work situation.

Chapter Summary

It is important to recognise that HR initiatives and strategies are influenced by both external and internal factors. The work in this chapter has provided relevant theoretical models, with which HR students can conduct research into organisations: field force model analysis and the socio-technical approach. Furthermore, the chapter has evaluated the influence on changing patterns of work on psychological contracts. The successful progress of a change initiative is dependent upon the establishment and maintenance of sound employee relations and interpersonal relationships. HR professionals

should also recognise that change processes are likely to encounter resistance and that it is more effective to consult with staff and gain co-operation than to impose changes. The new psychological contract of employment has replaced much of the security of tenure formerly retained by older bureaucracies. The modern worker should therefore invest in personal development to enrich their long-term employability.

Guidance Note For Students

The references are a useful guide to seek out other sources for background reading and ideas for your course work. Universities and colleges expect you to read more than just the set text. Although HRM An Integrated Approach provides a complete course for you, it is important to recognise that there are many other opinions, ideas on HR and management in general. In your assignments and activities you will be expected to refer to a range of literature. Go to your Learning Resources Centre and read/ view academic literature and expand your knowledge of HR and Management.

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