

COMPLEMENTARITIES AND CONTRADICTIONS BETWEEN HUMAN RESOURCE MANAGEMENT AND TRADE UNIONISM: A LITERATURE REVIEW

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ABSTRACT

Since the early 1980s, human resource management has received a lot of interest from both scholars and practitioners around the globe. There is a general belief that human resource management plays a crucial role in the success of organizations by improving the effectiveness of employees. However, despite the acknowledgement that human resource management involves the implementation of policies and practices that take care of employee needs, trade unions continue to exist in many organizations. The main objective of the study was to establish the reason for the co-existence of human resource management and trade unions and whether the two complement or contradict each other. The study was based on a critical literature review from books and journals. The literature review revealed that the relationship between human resource management and trade unionism depends on whether an organization assumes a unitarist or a pluralist approach to managing the employment relationship. An organization that assumes a unitarist approach will normally embrace human resource management and discourage trade unionism while an organization that assumes a pluralist approach will generally accept trade unions despite human resource management. The study concluded that human resource management and trade unionism can complement or contradict each other depending on whether an organization adopts a cooperative or conflicting stance.

KEYWORDS: *Human Resource Management, Trade Unions, Unitarist, Pluralist, Employment Relations, Employee Relations*

INTRODUCTION

Since the early 1980s, the subject of human resource management (HRM) has received a lot of attention from both scholars and practitioners around the globe. Although HRM has been defined variously by different scholars many of them agree that it is basically concerned with the way employees are managed in an organization (Storey, 1992; Hendry, 1995; Stewart & McGoldrick, 1996; Pinnington & Edwards, 2000; McCourt & Eldridge, 2003; and Armstrong, 2008). According to DeCenzo and Robbins (1988), HRM is important because acquiring people, developing their skills, motivating them to high levels of performance, and ensuring that they continue to maintain their commitment to the organization is essential to achieving organizational objectives in both public and private organizations.

Several factors facilitated the emergence of HRM as a discipline. First, HRM was seen as a transformation of per-

sonnel management; it moved the personnel function from one that concentrated on employee welfare to one of managing people in such a way so as to obtain the best and highest productivity possible (Silva, 1999; Sett, 2004). Secondly, globalization made organizations worldwide to realize that in order to remain competitive, they needed to re-examine their strategy including how they manage their employees (Sisson, 1994). Due to international competition, organizations came under pressure to be better, faster and more competitive. To do this they needed quality people working for them (Werther & Davis, 1993). Organizations, therefore, realized that how they recruit, train, reward, motivate and discipline their employees was of central importance to organizational success (Sisson, 1994). Thirdly, people became more educated and thus had more expectations from organizations. According to Daemane (2014), increased education and training led workers to demand more participation and satisfaction in their jobs.

Another factor that facilitated the emergence of HRM was the rapid technological changes that affected the nature of work. With the change in technology, some jobs were replaced by those requiring more skills, meaning that workers doing these jobs required a higher degree of training and commitment than before. Consequently, in order to remain competitive, jobs and organizational charts needed to be redesigned, new job descriptions are written, new incentive and compensation plans implemented, and new employee selection, evaluation, and training programs instituted and all these had to be done with the help of HRM (Sims, 2002). In addition, the influence of the Japanese system of industrial organization and the high performance of individual companies that followed such practices also contributed to the emergence of HRM (Leap & Crino, 1993; Daemane, 2014). Many organizations realized that a quality workforce makes the difference between mediocrity and success (Beardwell & Holden, 1997).

It is now generally accepted that HRM is crucial to organizational success because it provides sustained competitive advantage. Of all the resources used by organizations, human resource is the most important. The HR function is currently considered a central management concern that should be integrated with line management and linked to the overall strategy of the organization (Storey, 1992; Miner & Crane, 1995; Dessler 2008). Many organizations are now investing more in the development of their workers than ever. In many organizations, the HR manager is a key member of senior management. Academically, there also have been significant developments in that many universities and colleges in both the developed and developing countries have introduced HRM courses in their curriculum (Singh, 1996). The literature on HRM has also increased tremendously (Stewart & McGoldrick, 1996). There are large numbers of books and journals on the subject.

However, despite the importance of HRM, empirical evidence indicates that in many organizations, managing employment relations involves dealing with a trade union or trade unions (McCourt & Eldrige, 2003). A trade union is an organization of workers, which seeks to protect and promote their members' mutual interests (DeCenzo & Robbins, 1988). The fundamental purpose of trade unions is to promote and protect the interests of their members by providing a collective voice to make their wishes known to management (Armstrong, 2008). In many countries, organizations display dichotomous characteristics whereby HRM systems exist side by side with trade unions. Indeed, in some cases, trade unions have intensified their activities with the aim of promoting, protecting and improving the interests of their members (Armstrong, 2008). The question then is why do trade unions continue to exist in organizations with HRM? With the introduction of HRM, it is expected that organizations will implement policies and practices that will take care of employee needs and therefore there

will be no need for union protection (Milkovich & Boudreau, 1988; Leap & Crino, 1993). The objective of the study was to determine the nature of the relationship between HRM and trade unionism and establish whether the two systems complement or contradict each other.

METHODOLOGY

This paper is a critical review of the literature on human resource management and trade unions.

The study reviewed books, the journal articles, and other literature on human resource management and trade unions. The scope of the review was limited to between 1980 and 2018. The review started from 1980 because this is the period that HRM is said to have emerged as a full-fledged discipline. Several databases including Jstor, Emerald and Google Scholar were used as sources. Keywords used for the search included human resource management, trade unions, employment relations, employee relations, unitarist, and pluralist.

DEFINITION OF HUMAN RESOURCE MANAGEMENT

The term HRM has different connotations to different people; it has been defined differently by different scholars (Hendry, 1995). Some understand it simply as a new term for personnel management while others give it a more strategic approach. For instance, HRM has been defined as: a new way of thinking about how people should be managed as employees in the workplace (Pinnington & Edwards, 2000); the dimension of management that is concerned with the people (Leap & Crino, 1993); an aspect of management that is concerned with the human side of management and the employee's relations with their organizations (Graham & Bennett, 1998); all those activities associated with the management of people in organizations (Boyd, 2003); a process of developing, applying and evaluating policies, procedures, methods and programs relating to the individuals in the organization (Miner & Crane, 1995); an innovative concept that addresses the fundamental question of managing employees in new ways with new perspectives (Beardwell & Holden, 1997); the philosophy, policies, procedure, and practices related to the management of an organization's employees (Sims, 2002). Clearly, these definitions do not show any distinct difference between HRM and the traditional personnel management. Such a lack of distinction between personnel management and HRM has led some people to conclude HRM is no more than 'old wine in a new bottle'.

On the other hand, there are those who see HRM as signaling a more strategic approach to the management of people in the organization. Those who hold this view portray HRM as an approach to organizational management that treats the human resource as an important asset and assumes that all human resource activities are strategically integrated with each other and with the organizational objective (Hendry, 1995). For instance, Armstrong (2008) has defined HRM as the strategic approach to acquiring, developing, managing, motivating and gaining the commitment of the organization's key resource, the people who work in it and for it. The strategic nature of HRM has further been supported by Storey (1992) who defines, HRM as a distinctive approach to employment management which seeks to achieve a competitive advantage through the strategic development of a highly committed and capable workforce. According to Hall and Goodale (1986), the goal of HRM is to get an optimal degree of fit among the environment, the organization, the job, and the individual. Donnelly,

Gibson, and Ivancevich (1992) have defined HRM as a process of accomplishing organizational objectives by acquiring, developing, retaining, terminating, and properly using human resources in an organization. Guest (1996) has concluded that what makes HRM different from personnel management is its concern with a set of policies and practices designed to achieve strategic integration, high employee commitment to the organization, a high degree of workforce flexibility and high-quality workforce. The above examples indicate how diverse and hence difficult it is to define the term HRM. However, one factor that is consistent is the notion that employees are valuable resources, which if properly managed, will be a source of competitive advantage to the organization.

SOFT AND HARD HUMAN RESOURCE MANAGEMENT

The concept of HRM has been further clarified through the approaches that organizations use in managing their employees. The approaches to HRM are often divided into two main schools of thought: soft HRM and hard HRM (Truss, 1999). According to Storey (1992), the distinction between soft and hard HRM is whether the emphasis is placed on the “human” or the “resource” respectively. Soft HRM stresses the importance of having innovative, flexible, committed employees who are treated as valued assets through whom the organization gains a competitive advantage (Pennington & Edwards, 2000). However, such commitment can only be generated if employees are trusted, trained and developed, work autonomously and maintaining control over their work (Hendry & Pettigrew, 1990; Guest, 1996). In other words, the soft approach while emphasizing the importance of business objectives acknowledges the importance of developing employees as people. Soft HRM is compared to McGregor’s Theory Y which assumes that employees will work best if they are fully committed to the organization (Guest, 1996).

The soft approach to managing people has been exemplified in the famous Harvard model developed by Beer and others in 1984 at Harvard University (Beer et al., 1984). The Harvard Model was designed essentially to help general managers improve ways of managing people and assessing the effectiveness of their HRM policies and practices (Pennington & Edwards, 2000). It is called soft because it stresses the ‘human’ aspect of HRM. The model recognizes that organizations have a variety of stakeholders mainly: Shareholders, management, the various groups of employees, government and the community (Beardwell & Holden, 1997). These stakeholders have different interests which impact on employee behavior and performance. The model stresses that for organizations to achieve their objectives; the different interests should be aligned with the HRM and business strategies (Pennington & Edwards, 2000). According to the soft HRM model, when making HRM policies managers should consider to what extent the policies will enhance the overall competence and commitment of employees, the degree of congruence between employees’ own goals and those of the organization, and the overall cost-effectiveness of human resource management practices (Hendry, 1995). The model also notes that besides the stakeholders, human resource policies are also influenced by situational factors which include: laws, societal values, labor market conditions, work-force characteristics, business strategies, management philosophy, task-technology, and trade unions (Pennington & Edwards, 2000).

Hard HRM was first defined by Fombrun, Tichy, and Devanna in 1984 in their model which is popularly referred to as the Michigan model (Fombrun et al., 1984). The hard HRM model stresses the importance of the close integration of

HR policies, systems, and activities with the business strategy (Gill, 1999). Hard HRM, therefore, views employees largely as a factor of production that is provided and deployed as numbers at the right price. Consequently, HR systems should be established, maintained and managed in such a way so as to achieve strategic goals (Pinnington & Edwards, 2000). The model emphasizes the necessity of a 'tight fit' between the HR strategy and business strategy (Hendry, 1995; Beardwell & Holden, 1997). Hard HRM views employees as "a resource to be used dispassionately and in a formally rational manner" (Storey, 1992:26). According to Boyd (2003), the hard model reflects "utilitarian instrumentalism" where the overriding characteristic is the focus on quantitative, calculative, and business strategic aspects of managing the human resource in as rational a way as if it were any other economic factor. This implies that an employee has no control over his work situation

Empirical evidence, however, indicates that although in theory there is a clear distinction between soft and hard HRM, this is not the case in practice. For instance, research carried out on a wide range of types of organizations in Australia, New Zealand, the United States of America (USA), the United Kingdom (UK) and Canada supported the contention that HRM effectiveness can be achieved through both soft and hard HRM approaches (Kane & Crawford, 1999). This has been supported further by Gill (1999) who have concluded that whereas at the rhetorical level many organizations espouse the soft version of HRM that focuses on treating employees as valued assets, in reality, the hard version is practiced. According to Legge (1995) and Beardwell and Claydon (2007), soft and hard HRM are not necessarily incompatible. Generally, no organization applies pure soft or hard HRM. The two are often combined with differing degrees for the competitive advantage of the organization (Truss, 1999).

UNITARIST AND PLURALIST APPROACHES TO THE EMPLOYMENT RELATIONSHIP

The relationship between HRM and trade unions in an organization is understood differently depending on the frame of reference adopted by the individual doing the analysis (Tyson & York, 1996). From the literature, there are two main frames of reference used to analyze the relationship between HRM and trade unions: unitarist and pluralist perspective. The unitarist perspective assumes a commonality of interests whereby all parties in the organization have the same interests. It holds that management and employees have common interests and that employees should therefore naturally cooperate with management, and work together as a team to achieve organizational goals (Graham & Bennett, 1998). It further assumes that both employees and management are willing to work towards a common goal because they will both benefit if the organization is doing well; the employees will benefit from job security and higher wages, while the management will benefit from the general success of the organization (Waiganjo, 2012).

The unitarist perspective also assumes that disagreements, conflict, obstructive behavior, and strike action is unnatural, pathological, irrational and damaging to the organization (Waiganjo, 2012). Under this perspective manager or the owners is the only legitimate source of authority which should be respected by employees (McCourt, 2003). Thus there is no rational basis for conflict between management and employees because management considers the interest of all parties when making decisions (Tyson & York, 1996). Under the unitarist perspective, trade unions are seen as third parties that interfere with the natural order of organizational life (Bramble & Heal, 1997). Trade unions are considered unnecessary and divisive (Armstrong, 2009). They can therefore, gain a foothold in an organization only if there are poor management and Poor Communication (Bray. et al., 2009)

According to Delaney and Godard (2001), managers practicing HRM generally follow a unitarist perspective of the employment relationship because it emphasizes the harmony of interests between employees and employers. Pinnington and Edwards (2000) also support the argument that the unitary nature of HRM leaves little room for trade unionism. This is because an organization embracing HRM, assumes that the interests of the managers and the workforce are aligned, the usefulness of having the trade union to represent the interests of employees is therefore *superfluous*. HRM policies are believed to remove any need for opposition by workers and therefore limit the likelihood of unionization. HRM initiatives carry a considerable element of individualism as opposed to collectivism that is advocated by trade unions (Storey, 1992).

However, it has to be noted that the unitarist view has been criticized due to its assumption that the different parties in the organization have equal power. For instance, the unitarists see the labor market as constituting mutually beneficial exchanges between employers and employees in which both exercise freedom of choice. Workers are portrayed as being free to decide how and in which conditions to sell their labor and whether to join unions or not. Relationships between employees and employers are assumed to be governed by the law of contract whereby employers and employees are able to deal with each other as equals in the pursuit of common goals. The reality, however, is that there is normally an acute imbalance in power between the two parties which is not recognized by the unitarist approach. The employees do not actually have a lot of freedom because they either work or live in poverty. They cannot afford to horde their labor and wait for the price to rise (Bramble & Heal, 1997).

The pluralist perspective, on the other hand, is based on the premise that organizations are composed of coalitions of interest groups that have different interests and different sources of loyalty (Pinnington & Edwards, 2000). These different interests and objectives must be maintained in some equilibrium. According to Bramble and Heal (1997), these groups are in a constant state of tense cooperation because they have different needs and interest. At the same time, the different groups must work together for the greater good of the organization. Therefore, the best way to achieve consensus and long-term stability in the employment relationship is for management to recognize the conflicting interests, to negotiate compromises and to balance the demands of the different groups.

Under the pluralist perspective, conflict of interest and disagreements between management and workers are seen as normal and inescapable. Pluralists see conflict as inevitable because the different parties in the employment relations have different interests, opinions, values and their own sources of authority. The implication of the pluralist approach is that there has to be some process for reconciling different interests. Trade unions are thus used to achieve consensus through formal agreements (Armstrong, 2009). Pluralists, therefore, regard trade unions as legitimate, and industrial conflict as merely the expression of competition between parties of roughly equal strength. The key challenge for the pluralist approach is how best to manage conflict through mechanisms such as collective bargaining, conciliation, and arbitration. Edwards (1995) and Leat (2001) have opined that both the unitarist and pluralist perspectives are ideal types and therefore should be viewed with caution. Neither of these ideal types should be relied upon exclusively. They encourage organizations to adopt a hybrid of the two perspectives

DISCUSSIONS AND CONCLUSIONS

From the above review, it is evident that the relationship between HRM and trade unions is a complex one, consisting of both complementarities and contradictions. A complementary relationship implies that HRM and trade unions enhance each other's role in the organization. Contradictions, on the other hand, imply that the two systems are completely different and will conflict when used together meaning that HRM and trade unions are mutually exclusive (Brewster, 1995). Complementarity may be enhanced through cooperation between management and the trade union(s). Management-union cooperation involves full acceptance of a union as an active agent in an organization. Such an acceptance is normally formalized through a recognition agreement signed between management and the union. The acceptance is based on the belief that the union will make a definite and positive contribution to the success of the organization. According to Sloane and Witney (1981), when cooperation is embraced, management supports not only the right but also the desirability of union participation and in return, the union endorses the organization's right and need for adequate return on its investment.

According to Beaumont (1996), many union leaders have recognized the inevitability of the introduction of HRM practices are more willing to cooperate and work with management. They are choosing to work more closely with management to achieve common goals rather than perpetuate the traditional adversarial relationship (Reece & Brandt, 1999). Beaumont (1996) has observed that organizations that are cooperating with the unions do so because unions provide a well-established channel of communication for the handling of grievances, discipline and safety issues. Yonder and Straudohar (1982) have suggested that unions and management can work together by integrating both the individual and group goals in the achievement of organizational effectiveness. Storey (1992) has observed that many organizations are adopting a management-union cooperation approach whereby the HRM and trade union systems run parallel to each other. The author has however cautioned that management-union cooperation can only work if: there is mutual respect meaning that there should be willingness on both sides to acknowledge each other's right to exist and thrive; both sides make a concerted effort to understand the other side's interests and concerns; HRM initiatives are focused upon areas which do not cause a threat to the scope of collective bargaining or bypass established bargaining channels; and whenever there are contentious issues the final solution is made by consensus from both parties with both parties have to assume responsibility in solving problems.

HRM and trade unions may contradict because they have different approaches to employment relationships. Many of the practices associated with HRM may pose a threat to the management-union relationship (Pinnington & Edwards, 2000). For instance, dealing with a trade union may seem to undermine management's power. In unionized organizations, HR managers have to follow procedures and policies laid out in the collective bargaining agreement which stipulate the wage rate, the hours of work, and the terms and conditions of employment for those covered by the collective bargaining agreement. Therefore decisions about where to recruit, how employees are selected, who are trained, how salaries, wages, and benefits are determined, how employees are transferred, promoted and laid-off cannot be done unilaterally by management but has to be done in consultation with the union. Therefore dealing with the union may make management feel that their unilateral right to direct its workforce is infringed on (DeCenzo & Robbins, 1988; Miner & Crane, 1995; Sloane & Witney, 1998). Thus trade unionism may seem contrary to HRM which aims to enhance managerial initiative by replacing the rigid regulations governing relations between unions and management with more flexible and cooperative arrangements (Wells & Wells, 1993)

Another area where HRM may conflict with trade unionism is their communication styles. Whereas HRM emphasizes direct communication between managers and employees, in unionized organizations, there is indirect communication which takes place through representatives. Consequently, direct communication may be perceived as a threat to the unions because they may see their role in communication to the employees as being bypassed (Verma, 2005). Similarly, employee compensation is handled differently under the two systems. Under HRM reward packages are individually and not collectively negotiated as is the case with union arrangement (Waiganjo, 2012). The performance-related pay, advocated by HRM, may threaten the union since it is based on individual performance as opposed to collective negotiation. Thus the role of unions in determining pay rates for groups of workers is potentially undermined.

Other contradictions between HRM and trade unions may be noted in the grievance handling procedures, recruitment and selection practices, and innovation. Generally, management cannot resolve employee issues without following the formal grievance procedure as contained in the collective bargaining agreements. This is contrary to the HRM approach which advocates fast resolution of employee issues. Regarding recruitment and selection, unionized organizations are more likely to employ fewer methods of recruitment and selection due to the need for formalized decision-making (Verma, 2005). To protect the interests of their members, trade unions normally support promotion-from-within and use traditional methods such as newspaper, agencies, referrals, and walk-ins. This approach limits external recruitment and hence the pool of qualified applicants. Relying on internal recruitment only contradicts HRM which advocates for more flexible recruitment and selection methods that can reach a wide pool of candidates. Similarly, whereas HRM encourages innovation as a means of increasing productivity, trade unions may see it as taking away jobs from their member. Trade unions can potentially threaten efficiency when they refuse to allow labor saving equipment or advocate for the creation of non-essential jobs (DeCenzo & Robbins, 1988; Miner & Crane, 1995; Sloane & Witney, 1998). In addition, organizations that are highly influenced by trade unions can have problems with the implementation of flexible working arrangements (Wells & Wells, 1993).

The study concluded that HRM and trade unionism can complement or contradict each other depending on whether an organization adopts a cooperative or conflicting stance. Thus HRM and trade unions are not mutually exclusive. The relationship between HRM and trade unions does not have to be "zero-sum" where one either gains or loses.

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