

Frames of reference and contemporary hrm



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According to Gabel (1994), British Airways (BA) is one of the largest flag carrier airlines in the world established by Labour Government in 1974 through nationalisation in UK. The headquarters of BA are located in Waterside near Heathrow Airport in London. The origin of BA is traced back to the dissolution of four major airlines Cardiff airlines, Newcastle upon Tyne, Cambrian Airways, and Northeast Airlines in same year British Airways was formed. Moreover, the remarkable expansion was as a result of BA acquisition of Gatwick-based carrier Dan-Air and British Caledonian in 1992 and 1988 respectively. BA uses most current aircrafts in the world from Boeing, air bus and A320 Family aircraft (Gabel 1994, p. 71).

BA over 150 destinations excluding subsidiaries, that earns the company substantial revenue (table. 1) of over 800 million pounds that reflects complexity of workforce BA handles. Moreover, the acquisition of airlines forming the BA adds to the complexity of the human resources management approach, especially employee relationship management that coupled by strikes and disputes from different regional stores. BA currently has employed over 50, 000 employees who need great deal of attention, since HRM is at the center of success strategy for BA. Therefore, will critically discuss how the collective employment relationship might be managed in the context of the contemporary business environment. To holistically examine this phenomenon by looking at frames of reference and contemporary Human Resources Management, organisational justice, Management of the employment relationship AND Employee voice and employment partnerships.

Frames of reference and contemporary HRM

In human resources management, frames refers to a sociological viewpoint that help in constructing a frame of reference which aid in seeing the problems of industrial relations realistically and thus make the problems more open to solution (Dana 1998; Redman and Wilkinson 2001). Moreover, frames are important in achieving a holistic perception of the problem in HRM relations and thereby determining judgments by HRM manager, which in turn influences subsequent behaviour of the employees.

Therefore, through having frame managers may perceive employment relation through having alternative frames of reference that as a lens through which enables HRM to conceptualise and manage employee relations. In this regard, Fox (1966) describes three frames of reference that are vital in managing employee relations in contemporary business environment as pluralist, radical, and unitarist, though commonly discussed are unitarist and pluralist.

Pluralism frame of reference is describe as a view point that that views employee relation as place of a corporate unity mirrored in a single focus of loyalty and authority. In this regard, the managers have to accept the existence of rival sources of attachment and leadership. More importantly, rival sources of attachment and leadership need to be accepted by managerial position holder who is entrusted to rule the plural society (Edwards 1995).

Unitarism is a view point that suggests employee relations to be seen in terms of a unitary system that has one focus of loyalty and one source of

authority, thus suggesting the team analogy (Edwards 1995; Fox 1966). In this regard, the main question remains that of what are expectations of a functioning team of employees and pattern of their behavior in relation to expectations. Thus, in a unitarism frame employees are expected to strive jointly aiming at achieving a common goal, with each utilizing his or her ability to achieve that goal. Moreover, employees are expected to accept his or her place in his or her function gladly, and follow the guidance and leadership of the one who is appointed. In addition, in a unitary frame the employee body act as a single unit with no opposing groups or leaders with members owing allegiance to the own selected leaders only.

Therefore, the distinction between the unitary and pluralism is whether to view and manage the employee relationship in terms of “ analogous to a team” or “ plausibly viewed as a coalition of interests” respectively. In regard to British Airways, that is coupled by strikes and numerous disputes from compensation and reward systems, which is fueled by acquisitions of different employees worked under different cultures pluralism can be best managing frame. Pluralism frame shall view and perceive different region departments challenges differently and reaching local solutions that suite the employees of a given location.

Management of the employment relationship

During the early 1990s, BA managed employees relations more generally because it was a company found in public sector. At that moment, BA was highly unionized with over 16 famous British Airlines Pilots Association (BALPA), which is a union that has significant strategic influence in the airline industry. At this time, BA has a well-established industry-wide collective

bargaining framework where British Airways had a key role for employers' side of the negotiating body; NJCCAT (National Joint Council for Civil Air Transport), and at company level had consultative forum (Blyton and Turnbull 2004).

In this respect, collective bargaining was sectional, fragmented and complex, while BA management's handling employee relations, can be described as 'opportunistic and pragmatic' (Blyton and Turnbull 1998). Because of too much pressure, BA approach to employment management issue had to change with new strategic focus that would enable BA to maintain its relations with the unions. As a result, BA utilized dual-arrangements in the sense that constant and frequent consulting and communicating with union and staff were largely employed that continues up to date. By doing so, British Airways tried to 'by-pass' union-based communication channels established, which made the companies to focus on reorganisation of collective bargaining. As a consequence of the new focus on reorganizing collective bargaining, the National Joint Council for Civil Air Transport was terminated in 1996 and five separate sector panel level bargaining bodies were established namely: pilots, clerical grades, cabin crew, ground crew and management that remained, but was reinforced and restructured.

However, in 1996 because of pilot dispute between BALPA and BA, British Airways tried to strike a deal for new 'partnership' agreement as the company sought more cooperative approach in relation to its employees' relation with unions, no formal agreement was reached. The employment relation challenges never ended rather were difficult fueled by a continued tension between exhortations aimed at improving customer service and cost

cutting by enforced bouts of redundancies and contracting out. This tension made it impossible for BA to deliver the real benefits to customers according to their mission, hampering revenues due to inability to attract and retain customers caused by failure to fulfill their expectations.

The challenges never ended there rather continued; in late 1990s BA witnessed several other disputes involving Engineers, baggage handlers, pilots, and cabin crews. Moreover, in 2003 dispute emerged as a result of introduction of “ swipe card clocking-in system”. In 2004, pay and staffing level strikes. Whereas in 2005 dispute a strike involving action against sacking of 670 catering suppliers employees at BA. In contrary the company said the move was aimed at cutting absence levels estimated at 22days per staff a year which added tension to employee relations climate. Additionally, GMB (baggage handlers and ground staff) with more than 800 members threatened action against proposed changes regarding sick leave, and pay policies in 2007. In 2008, BALPA (airline pilots) called for strike because of BA’s move to establish OpenSkies as new subsidiary airline to exploit new regulatory framework between the US and EU and the US. Though this strike called off is still a court issue (Blyton and Turnbull 2004).

However, from a historical to today’s standings, BA employee relations still retain high potential for serious disruption despite the efforts made to redefine collective bargaining. With old perception for industrial actions from the unions and toughened management style due to competitiveness of the environment, BA workers relation still poses a daunting challenge to overcome in the new future. To illustrate this assertion, rampant allegations of pilots excessive drinking like that of a drunk pilot in 2004, threats of/and <https://assignbuster.com/frames-of-reference-and-contemporary-hrm/>

actual industrial actions that disrupt operation, leads to low productivity and hampering revenue generation remains to be symptom of low morale in BA. Therefore, outsourcing option due to tag of war between employees and BA can never be a solution since employees loyalty and quality in-house training remain to be integral parts of the 'customer service' experience (Jonathan and Christine 2001).

Organisational Justice

In the context of HRM, organisational justice though is a recently developed concept, it is widely used in organizational studies and management frames. In this regard, organizational justice can be defined as the extent to which employees of a given company perceive organizational events as being fair or unfair. This means that the perception of employees on the organisational procedures, policies and directives as opposed to organization own perception constitutes to organization justice (Redman and Wilkinson 2001). Although, company might formulate some policies it deem jus, some employees may view it unfair to them and thus need for consultation and discussion on perceive " unjust" issue due to impact it has on the performance, output and productivity per employee.

There are three forms of organisational justice: procedural justice, distributive justice, and interactional justice. Distributive justice is organisational justice entails the perceived fairness of decision outcomes such as reward, working hours, pay. This is promoted by appropriate norms such as equality, equity or need for resources allocation. Procedural justice in regard to organisational justice entails the perceived fairness in the procedures used to make decisions. In this respect, procedural justice is

enhanced by use of particular procedural rules like granting employees voice in the decision-making processes and making organization's decisions in accurate, correctable and consistent manner that eliminate bias.

Interactional justice regards the perceived fairness by employees on how decisions are made and enacted by authority figures in managerial positions. This type of organisational justice has an interpersonal dimension enhanced by respectful and dignified treatment, and other dimension is the informational enhanced by honest and adequate explanations. These three forms of justice are all needed within organization ethical frame work to have a holistic justice perception in that particular firm.

The important consideration in regard to organisational justice can be brought in by a question " why should BA care about organisational justice?" To respond to this guiding and insightful question, Redman and Wilkinson (2001) states that organizational justice especially, interactional and procedural organisational justice is vital for the formation of social exchange relationships, this is critical to relations management. In the case of BA, organisational justice is low evident by industrial action threats and actual actions, misbehaviours such as excessive drinking for pilots and absenteeism that develop as a result of resilient behavior in pursuit of justice for these employees. Therefore, absence of organisational justice portrays BA as unethical venture evident by " by passing" the communication channels and lack of employees' involvement in critical decision making causing more resistance to programmes and numerous disputes. As a result, workplace relations; pay systems; education and training systems; social protection systems; fighting discrimination at the workplace; promoting women's

entrepreneurship; health issues, are all perceived in a biased position. As a consequent, employees' commitment, satisfaction and control mutuality becomes low and thus affecting production negatively.

Should there be a need to implement any redundant programmes in future at BA, should ensures that both interactional justice and procedural justice is enhanced through organizational citizenship behaviors, organizational commitment, job performance ratings, supervisory commitment, and trust in management as opposed to distributive justice evident by toughened leadership at BA. By doing so employees will feel to be part of the organization and convinced that are treated fairly by BA, whereby they shall develop and maintain communal relationships with BA. As a result, employees shall hold more on commitment, control mutuality, trust, and satisfaction than when employees perceive that they are being treated unfairly.

Employee voice and employment partnerships

Employment Involvement (EI) seems to take the center stage of the current debate regarding employees' participation and voice. Though EI has been a great achievement for the employees within UK, much has been limited to local problem sharing and information sharing without allowing employee to have a say on top decision making or policy formulation, thus creating representational gap between employee and BA. However, under new labour laws and European Employee Participation mechanisms, there is positive indicator that representative participation will be revived.

For instance, in 2000 UK Budget introduced tax incentives aimed at encouraging employee shareholding. The motive behind the incentive was to imply that when employees have stake in the organization in which they work, they own the company, and feel part of it. As a result, employees will be more committed and motivated, as they also safeguarding their own investment in terms of share, thus, there will be more positive outcomes in aspects of organisational performance and productivity. Evidently, research conducted by Jonathan and Christine (2001), indicate strong correlation between “ progressive” HRM practices that focus on promoting involvement and participation of employees, while at the same time pursuing organisational outcomes and corporate performance. This is in line with other recent research in the UK and internationally.

At BA, pooling of the voting rights boost employees shareholders trust thereby representing a great deal of employees’ significant voice. Despite the organization internal consultation and engagement forums, by pooling on the voting right though not necessarily ownership, the employees can have a substantial impact on the key organisational decision from general meeting platform. Additionally, because employees are aware of both internal operation of BA and external product demand, employees are able to give sound contribution which is advantageous to the organization.

Despite availability of voting pool by employees being a strong mechanism of enhancing employee voice as well as increasing their participation, there is need to be a conversion of voice to desired results (Jonathan and Christine 2001). In other words, there is need to research and come up with appropriate mechanism which would translate individual employee

shareholding stakes they have in organization into a collective voice that brings desired results, through representation of the employees interests and convincing them that they get stake in the enterprise because of their shareholding. In doing so, there is benefit to corporate performance of the organization leading to economic growth and also enriches the working life experience.

Conclusion

In conclusion, the paper has discussed how the collective employment relationship might be managed in the context of the contemporary business environment. This has been examined based on the: frames of reference and contemporary Human Resources Management, organisational justice, Management of the employment relationship AND Employee voice and employment partnerships. It is a point of worth to note that employee relationship over century remains to be a building block of the strategic management of communication between a firm and its external publics. Therefore, there is need to have an integration approach that places need of the employees first to enhance business and capital performance. Thus, employee relations management still hold an integral part to our business practices to and is key determinant of success of failure.