

Corporate reputation: managing opportunities and threats

[Experience](#), [Human Nature](#)



Introduction

As it is a relatively new focus for modern organizations, human resources is increasingly viewed as paramount to a company's success, as Cascio (1991) cited " people are our most valuable asset." Long gone is the ideology of a company being represented by its assets and wealth, rather it is the personnel side of business which faces significant challenges, as Ulrich (1998) cited numerous ways in which human resources is invaluable to today's business notably the use of organizational knowledge and adaptability to the ever changing business environment. Due to this focus on people in organizations human resource managers now arguably have more value than the majority of individuals operating in different functions (Lengnick-Hall and Lengnick-Hall 1988.) The majority of business academics support the newly formed metaphor of a business being an organism as opposed to the out dated view of a business as a machine or process, which was shown by O'Neill (2007) to be evidently reductionist in the way it views organisational procedures. O'Neill highlighted that whilst the biological metaphor was clearly more complex, its acknowledgement of sub systems and informal mechanisms makes it much more suitable for the modern workplace, where human resource's importance largely outweighs the more operational aspects of a business.

HR and Competitive Advantage

The role of human resources and human resource managers is now so vital to companies that many academics view the area as a source of major

competitive advantage to a firm (Ferris et al 1999, Wright et al 2006.) This view sees that human resources as a function is best to be integrated into all of the businesses primary functions (Arthur 1994) and Miles and Charles (1984) even went so far as to include human resources as part of an organizations strategic decisional processes. However whilst many support this increased focus on the personnel side of a business, for instance Teece et al (1997) believed the transfer of knowledge and skills in developing the workforce is the only real dynamic capability a modern company can hold, Dunford et al (2001) highlighted that the human resource function has struggled to justify its position in organizations (see Drucker 1954, Stewart 1996.) Whilst the importance of people in organizations has little opposition, many view human resource professionals to have limited importance on the workforce and implementing various policies. Whilst Barney and Wright (1996) examined and supported the importance of a human resource partner in running businesses, it could be argued that whilst making the relevant human resource decisions is necessary, using middle / junior human resource managers to promote these policies is more difficult. Gunnigle (1977) for instance noted that whilst senior management possesses a lot of authority in making personnel decisions, a range of different approaches is suitable for implementing policies, from a“ high strategic integration of human resource issues in strategic planning to more piecemeal ad hoc approaches to managing human resources.”

Human resources development

As human resources has become so central to organizations, policies regarding developing a company's personnel have emerged as the focal point for many academics. Defined by Swanson and Holton (2009) as " a process of developing and unleashing expertise for the purpose of improving individual, team, work processes and organizational system performance," human resource development is seen by Nadler (1970) to contain three key components, these being training, education and development for the workforce. Developing policies to improve a workforce's skills and successfully implementing them assumes a pivotal role in shaping a business's strategy (Torraco and Swanson 1995.) In fact what Agrawal (1994, cited by Torraco and Swanson 1995) discovered is that whilst the majority of organizations have sufficient technology and policies regarding personnel development, in reality many employees are not actually trained sufficiently to use new equipment. This therefore implies that managers need to take a more proactive approach in ensuring development policies are put into practice. However due to the vagueness of the development concept, Swanson and Holton (2009) simply look at it in terms of being a problem defining and solving process. The question then becomes what influence a human resources manager has in a modern workplace scenario to implement policies. Whilst Guest et al (2003) found a greater use of human resource management is associated with lower labour turnover and increased employee satisfaction, the actual power a human resources manager has over making changes to workforce policies is limited as seen by Miles (1965) due to the ideological gap between the workforce and managers. Miles used the example of the gap between how managers prefer a different personnel

approach to their subordinates than to their superiors. This discrepancy showed that whilst managers welcome a focus on their abilities and development when regarding more senior managers, they would rather adopt a human relations approach to the workforce, whereby the focus is on morale. Therefore managers in this position could be reluctant to use any formal power they may have to implement new policies. Kanter's (1989) findings also point towards this conclusion, as Kanter discovered a number of changes in the employee – manager relationship, notably the reduction of power and distance between a manager and their subordinates. Whilst Kanter's idea that managers now have to implement ideas through more interpersonal and informal means is appealing to a workforce, the concept of “managers are integrators and facilitators, not watchdogs,” could prove to be problematic when it comes to implementing strict policies on the workforce.

Employee factors

In order to fully analyse how a human resources manager can successfully implement workplace policies regarding development, various employee factors come into consideration. Firstly there is the importance of the style of communication used. As mentioned previously the distance between managers and workers particularly in large organizations necessitates the effective use of communication channels. According to Soliman and Spooner (2000) using a two way free flowing communication system is the most appropriate method of dealing with development, because it would allow not only for managers to communicate policies to the workforce, it would also

allow two way feedback on the said procedures. This idea of a loop of communication regarding development is supported by Bradley (2002) who argued that a “ coherent evaluation and feedback system” should be integrated into every new workplace policy. This is especially vital for development due to the highly personal nature of the issue. Only through effective feedback will human resource managers have the required knowledge about the workforce to ensure that suitable development policies are implemented. A relevant suggestion on how this ideology could be used in a modern business scenario was proposed by Mehra and Brass (2001) in suggesting the use of social networks to communicate feedback to managers. Another clear factor in a human resource manager’s ability to promote development policies is the emotional intelligence of the staff. Sy et al (2006) showed that high levels of emotional intelligence clearly correlate with workplace performance and satisfaction. This suggests that a manager with a highly emotionally intelligent workforce would have an easier time ensuring policies are put in place. Cherniss (2001) even went so far as to cite “ self management” as a key component of the framework of emotional intelligence, implying perhaps that if a workforce was mature and skilled enough the job of the human resource manager would be completed by the staff. However whilst this may seem appealing to managers there is also a problematic issue with emotionally intelligent workforces. The majority of modern workforces possess clear elements of emotional intelligence and often utilise informal learning in their position (Eraut 2004.) Garrick (1998) noted the danger of this informal learning style, that it is not controlled in any way by the management team. With the increased trend for workplace

environments to be based around intelligent project / task teams (Hechanova-Alampay and Beehr 2001) human resource managers could often find themselves facing insurmountable odds if they wished to implement unpopular policies. Therefore in order for managers to be able to put policies in place they must ensure in addition to there being effective communication channels in place that a degree of employee commitment is drawn from the workforce. Studies by Romzek (1990) proved the use of employees holding a psychological tie to their place of work, and highlighted the managerial influence on this subject. The way in which managers can ensure employees hold this commitment is displayed by Vischer's (2006) ranges of environmental comfort. As long as employees show a certain level of comfort human resource managers should be able to implement new development policies.

Managerial Factors

There has been a large amount of research completed on the new role that managers now face in organizations, namely the human resource function where research seeks to provide guidance on how to deal with specific workforces (Geroy et al 2000.) This is largely due to the new styled work of managers as they face a changing psychological contract with their workforce and so need to build commitment in their implementing of policies (Hiltrop 1999.) This therefore means that managers need to adapt traditional managerial styles if they wish to have the power to put in place new development policies. Vischer (2005) used the example of the new style of managerial offices, where employees can view the managers working to

symbolise the increased need for an interpersonal approach to managerial work. Whilst managers traditionally took a scientific based approach to implementing new policies, for instance the labour process conceptualization cited by Ramsay et al (2000) the modern way of reaching a workforce is via a transactional leadership approach. Not only does this feedback, group based style work in terms of productivity results alone (Deluga 1988) it gives managers more authority to properly put policies into practice. Bass' 1985 study justifies this success of transactional leadership by noting an increased employee confidence. Bass noted that a contactable manager with charisma fulfils the traditional leader role that many workforces look for when deciding whether or not to adopt a new policy. However there are other factors a manager must consider when attempting to promote new development policies, primarily there is the direct influence the manager has on the individual. This is especially vital for development policies as they are regarding individual people and so workers would resist policy changes from a manager whom they feel has no connection or influence on the person that they are. Important factors in this topic range from the face to face necessity for successful managers, as Dambrin (2004) demonstrated how the reduction of this direct communication in home based telephone workers significantly reduces the need for managers altogether, to the findings by Cleveland et al (2003) which noted the increased influence that managers of similar ages to their staff enjoy. Whilst this element is of little use to many managers (as they cannot help their relative age to the workforce) the concept that employees are willing to accept policy changes from people whom they consider to be similar to them is extremely useful. Therefore the

practical use of these findings is in the manager's tactics in dealing with their staff. There is much research that centres on this factor (Furst and Cable 2008, Wayne et al 2006) and recent findings suggest that managers adopt a highly individualistic based style when implementing development policies, as managerial influence is not equally perceived by workers (Barton and Deschamps 1988.) Lawler et al (2007) highlighted that older, more highly educated employees feel they should have more say in their own development. Therefore the avocation must be for managers to manage their workforce reactively, not according to a pre-set plan of action (Niederkofler 2002.)

Conclusion

This report has investigated the extent to which a human resources manager can realistically implement policies regarding development in their workplace. Firstly the importance of human resources as an organizational function was explored, from Cascio's generic quote to how human resource is now seen as essential in many modern businesses (Teece et al 1997, Barney and Wright 1996.) As personnel development is undoubtedly a vital issue in modern organizations (Torraco and Swanson 1995, Nadler 1970) the issue became how a manager can overcome the ideological gap between themselves and the workforce (Miles 1965.) The aspects that allow managers to do this and successfully implement development policies were tackled in firstly terms of employee expectations for managers, where Mehra and Brass' communication recommendations and Eraut's views on emotional intelligence were a focal point, and secondly the managerial influences on

their staff such as the use of transformational leadership and the individualistic style proposed by Barton and Deschamps (1988.) In this way managerial work is very much a self fulfilling prophecy where their expectations for the workforce will likely become reality (Swanson 1995,) and in this context managers should use this information about how to approach issues to their advantage, due to the power value of information as seen by Goad (2002.)

References

Arthur, J. B. (1994) Effects of Human Resource Systems on Manufacturing Performance and Turnover. *The Academy of Management Journal*, Vol 37, No 3 (June 1994) pp 670-687.

Barney, J. B. & Wright, P. M. (1997). On becoming a strategic partner: The role of human resources in gaining competitive advantage (CAHRS Working Paper #97-09.) Ithaca, NY: Cornell University, School of Industrial and Labour Relations, Centre for Advanced Human Resource Studies.

Barton, D. L. and Deschamps, I. (1988) Managerial Influence in the Implementation of New Technology. *ManagementScience*, Vol 34, No 10 (October 1988) pp 1252-1265.

Bass, B. M. (1985) Leadership: Good, better, best. *Organizational Dynamics*, Vol 13, Issue 3, pp 26-40.

Bradley, S. J. (2002) What's working Briefing and evaluating workplace performance improvement. *Journal of Corporate Real Estate*, Vol 4, Issue 2, pp 150-159.

Cascio, W. F. (1991) *Costing Human Resources: The financial impact of behaviour in organizations*. (3rd ed) Boston: PWS-Kent Pub.

Cherniss, C. (2001) *Emotional intelligence and organizational effectiveness*. Jossey-Bass publications.

Drucker, P. (1994) *The practice of management*. New York: Harper.

Cleveland, L. M. Jeanette, N. Goldberg, C. B. (2003) Work attitudes and decisions as a function of manager age and employee age. *Journal of Applied Psychology*, Vol 88, Issue 3 (Jun 2003) pp 529-537.

Dambrin, C. (2004) How does telework influence the manager-employee relationship *International Journal of Human Resources Development and Management*. Vol 4, No 4, pp 358-374.

Deluga, R. J. (1988) Relationship of Transformational and Transactional Leadership with Employee Influencing Strategies. *Group Organization Management*, Vol 13, No 4, pp 456-467.

Dunford, B. B. Snell, S. A. and Wright, P. M. (2001) *Human resources and the human resource based view of the firm*. Centre for advanced human resources studies working paper, Cornell University.

Eraut, M. (2004) Informal learning in the workplace. *Studies in Continuing Education* Vol 26, Issue 2.

Ferris, G. R. Hochwarter, W. A. Buckley, M. R. Harrell-Cook, G. and Frink, D. D. (1999) Human Resources Management: Some New Directions. *Journal of Management*, Vol 25, No 3 (June 1999) pp 385-415.

Furst, S. A. Cable, D. M. (2008) Employee resistance to organizational change: Managerial influence tactics and leader-member exchange. *Journal of Applied Psychology*, Vol 93, Issue 2 (March 2008) pp 453-462.

Garrick, J. (1998) *Informal learning in the workplace: Unmasking human resources development*. Routledge publishing.

Geroy, G. D. Wright, P. C. and Jacoby, L. (2000) Toward a conceptual framework of employee volunteerism: an aid for the human resource manager. *Management Decision*, Vol 38, Issue 4, pp 280-287.

Goad, T. W. (2002) *Informational literacy and workplace performance*. Quorum books, 88 Post Road West, Westport.

Guest, D. E. Michie, J. Conway, N. Sheehan, M. (2003) Human Resource Management and Corporate Performance in the UK. *British Journal of Industrial Relations*, Vol 41, issue 2, pp 291-314.

Gunnigle, P. (1977) Personnel Policy Choice: The Context for Human Resource Development. *Journal of European Industrial Training*, Vol 15, Issue 3.

Hechanova-Alampay, R. Beehr, T. A. (2001) Empowerment, p of control, and safety performance in work teams after workforce reduction. *Journal of OccupationalHealthPsychology*, Vol 6, Issue 4 (October 2001) pp 275-282.

Hiltrop, J. M. (1999) The changing psychological contract: The human resource challenge of the 1990s. *European Management Journal*, Volume 13, Issue 3 (September 1995) pp 286-294.

Kanter, R. M. (1989) The new managerial work. *HarvardBusiness Review*, Vol 67, Issue 6, pp 85-92.

Lawler, E. E. Renwick, P. A. and Bullock, R. J. (2007) Employee influence on decisions: An analysis. *Journal of Organizational Behaviour*, Vol 2, Issue 2, pp 115-123.

Lengnick-Hall, C. A. and Lengnick-Hall, M. L. (1988) Strategic Human Resources Management: A Review of the Literature and a Proposed Typology. *The Academy of Management Review*, Vol 13, No 3 (July 1988) pp 454-470.

Mehra, A. Kilduff, M. and Brass, D. J. (2001) The Social Networks of High and Low Self-Monitors: Implications for Workplace Performance. *Administrative Science Quarterly*, Vol 46, No 1 (March 2001) pp 121-146.

Miles, R. E. (1965) Human Relations or Human Resources *Harvard Business Review*, Volume 43, Issue 4, pp 148.

Miles, R. E. Charles, C. (1984) Designing strategic human resources systems. *Organizational Dynamics*, Vol 13, Issue 1, pp 36-52.

Nadler, L. (1970) *Developing Human Resources*. Gulf Publishing Company, Book Publishing Division, Box 2608, Houston, Texas 77001.

Niederkofler, M. (2002) The evolution of strategic alliances: Opportunities for managerial influence. *Journal of Business Venturing*, Vol 6, Issue 4 (July 1991) pp 237-257.

O, Neill, M. J. (2007) *Measuring workplace performance*. (2nd Ed) CRC Press.

Ramsay, H. Scholarios, D. and Harley, B. (2000) Employees and High-Performance Work Systems: Testing inside the Black Box. *British Journal of Industrial Relations*, Vol 38, Issue 4, pp 501-531.

Romzek, B. S. (1990) Employee Investment and Commitment: The Ties That Bind. *Public Administration Review*, Vol 50, Issue 3, pp 374-382.

Soliman, F. and Spooner, K. (2000) Strategies for implementing knowledge management: role of human resources management. *Journal of Knowledge Management*, Vol 4, Issue 4, pp 337-345.

Stewart, T. A. (1996) Human resources bites back. *Fortune*, 175.

Swanson, R. A. (1995) Human resource development: Performance is the key. *Human Resource Development Quarterly*, Vol 6, issue 2, pp 207-213.

Swanson, R. A. and Holton, E. F. (2009) Foundations of Human Resource Development. (2nd Ed) Berrett-Koehler Publishers Inc.

Sy, T. Tram, S. and O'Hara, L. A. (2006) Relation of employee and manager emotional intelligence to job satisfaction and performance. Journal of Vocational Behaviour, Vol 68, Issue 3 (June 2006) pp 461-473.

Teece, D. J. Pisano, G. And Shuen, A. (1997) Dynamic capabilities and strategic management. Strategic management journal, Vol 18, Issue 7, pp 509-533.

Ulrich, D. (1998) A new mandate for human resources. Harvard business review, January – February 1998.

Vischer, J. C. (2005) Space meets status: Designing workplace performance. Routledge Publications.

Vischer, J. C. (2006) The concept of workplace performance and its value to managers. California management review, Vol 49, No 2.

Wayne, S. J. Liden, R. C. Graf, I. K. and Ferris, G. R. (2006) The role of upward influence tactics on human resource decisions. Personnel psychology, Vol 50, Issue 4, pp 979-1006.

Wright, P. M. McMahan, G. C. and McWilliams, A. (2006) Human resources and sustained competitive advantage: a resource-based perspective. The International Journal of Human Resource Management, Vol 5, Issue 2.