

Hrm approaches in different work systems



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HRM Approaches in different Work systems: A comparison between manufacturing plant and call centre of high street bank

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As Peter Boxall and John Purcell (2008) mentioned in literature, work system refers to “ choices about what work needs to be done, about who will do it, and about where and how they will do it”. Each work system contains its features to interact with operation choices as well as HR management. This paper mainly focus on the relationship between work systems and strategies of HR, especially in comparing 2 different types of work systems and their corresponding approaches to HR. I will explain this in the main 2 parts follow a 3-step-way: environment analysis, work system and HR approaches.

Approaches to in manufacturing plant

Assume there is a new, high technology and capital intensive manufacturing plant in York. Since the plant is a new entrant in the industry, its aim is basically cost control and expending market share. The capital intensive, high technology feature and cost control demand determine the plant has to limit the number of employees and enhance their abilities and efficiency in work. As we can see, the plant is a typical model of manufacturing firms.

Manufacturing industry initially employed low paid labors to accomplish simply, repeated work and without a basic knowledge requirement. It was argued by Watson (1986) that workers were machines using motor not mental skills. As the technology developed rapidly these years in manufacturing industry, machines can mostly take over the jobs done by labors and push the employees to another level called “ high involvement” (Lawler, 1986), and other similar approaches as “ high commitment” (Arthur,

1992), “ high performance” (Huselid, 1995) or “ sophisticated” (Koch and McGrath, 1996). James, Chester and Robert (2002) concluded former literatures and described high involvement work systems (HIWSs) being utilized by provide employees skills, information, motivation, and latitude to gain the work force’s competitiveness. The high involvement approaches was discussed by Vandenberg, Richardson and Eastman (1999) based on Lawler’ (1986) high-involvement work processes, which contains 4 factors as “ PIRK” model. In “ PIRK” model “ P” stands for power, “ I” means information, “ R” refers to reward and “ K” is defined as knowledge. By this means, a set of HR approaches can be generated through enhance each variable of “ PIRK” to achieve final outcomes. For instance, training opportunities can be used as a HR approach to enhance employees’ knowledge and directly improve their abilities to solve problems. This is a direct way of using the model as Batt (2002) mentioned in his work, and the indirect way influence employees’ motivation and satisfaction to make them feel comfort and safe at work. In general, the HR approaches can be used in a manufacturing plant includes the following key practices:

1. Teamworking. As we mentioned before, the plant is highly concentrated on making use of technology and capital resources, teamworking is a chance for employees to get involved in important events in the plant. It can affect workers in organizational commitment, work satisfaction as well as knowledge improvement.

2. Advanced training. The plant has needs on innovation and product design to compete in the market as a new comer, therefore the training has to be of some technical level which is firm-related and more difficult than general

training. Advanced training can better help employees to gain information and knowledge, and reduce the chance of turnover.

3. Incentive practices. In a newly plant, if there is extra budget can be used on rewards, there should have some incentive practices. Not only this method can motivate employees to devote more, but also it can enhance their responsibilities to the plant, if the rewards are actually shares of the plant.

There are much more approaches can be used in this plant to improve performance, however, the effectiveness still becomes an uncertain question, since there is no measurements to evaluate the whole process.

Approaches to call centre for a high street bank

In comparison, we imagine there is a call centre to be established for a high street bank. Bank industry is more of service-oriented, call centre in a high street bank is not expected to bring about profit directly. The employees' responsibilities are to solve problems that already happened in the past or expected to be happened in the future. They give the answers from a wide-ranging question bank which contains the frequent asked questions and edgy questions. All of them attached answers below so that the operators on the phone can answer different questions with in a short time. Besides the answers, operators from the call centre also needs to be use properly words, expressions, tunes, and strictly follow a standardized formula to do the whole telephone communications. The features of call centre determined the employees they wanted are more general background, better in

communication just like a good listener with excellent understanding and ability of oral expression.

Service market is more labor intensive compared to manufacturing industry, and call centre can be categorized into the “ Tightly Constrained” work systems, according to Herzenberg (1998)’s typology of work systems.

Herzenberg describe this type of service as “ high volume, low cost, standardised quality, tight task supervision, low to moderate formal education of workers, and limited training”. Boxall (2003) followed Herzenberg’s work and defined 3 types of competition and work organization in private sector services. Based on his definition, call centre belongs to “ Massive service firms” which related to a mix of mass markets and higher value-added segments.

There are significant differences in HR strategies between a high-tech manufacturing plant and a high street call centre. Though Boxall (2003) pointed out that firms aim for high-valued segments in services are more likely to use HIWSs approach in HRM, a call centre still can not fit the HIWSs very well. One of the reasons as I mentioned before is that call centre “ is not expected to bring about profit directly”. In this case, even if using HIWSs to improve service quality and enhance employees’ happiness index can be worked out, that won’t generate extra profit for the bank. Customers may choose another bank since they discover their current bank really disappointed because of a poor quality telephone service, but they are less likely to choose a bank just based on its perfectly high level of telephone service.

After examined the features and work system of call centre, a figure (Figure 1) will be given out to illustrate the properly approach of HRM which is suggested to be adopted by a call centre manager. The figure contains both the approaches and requirements. Left side stands out the key approaches of HR which match the middle and right features of employees.

Key HR approaches	Employee competency	Employee commitment
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General		
training;	Standardize	Stress level;
Communications;	d behavior;	Work
Performance appraisal;	Communication skills	balance;

Figure 1: Approaches used in call centre

The HR approaches are used to enhance either employee competency or commitment to achieve further outcomes. They look much simpler compared with manufacturing plant, that is because the two firms have different features and outcomes.

Conclusion

It is obviously that a manufacturing plant adopts different HR approaches compared with a call centre. The reasons are various and hard to distinguish, since there are so many factors inside or outside the firms and interact with each other all the time. However, there are three main reasons affect the HR management within different work systems. First one is

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production factor. Whether the firm is capital intensive or labor intensive determines the scale and cost of employees as the former tends to hire fewer employees with high requirement and the latter tends to keep adequate employees with general knowledge backgrounds. The second factor is product differentiation. An industry which requires highly differentiation product the information and knowledge is needed all the time therefore the HR approach in training is intensive and specialized so that the worker can apply it to work and enhance performance. By contrast, a call centre offers almost the same service to different customers; therefore the training approach is more basic and contains rules, regulations to achieve consistency and homogeneity. The third factor is profitability. Profitability differs in specific types of positions; a research department manager in manufacturing plant usually generates more profits than a telephone operator in call centre. In that case the manager will gain job satisfaction through rewards and involvement in business decision making, whereas the telephone operator may feels less satisfied in work and has turnover intention. The reason is simply because firms need to keep profitable employees stable and ignore or pay less attention on the common employees without competitive advantage. The 3 factors reflects how the work system and HR aims combined together to affect HR approaches.

These approaches, however, meet a major challenge of measures. Previous literatures like Arthur (1992, 1994), Huselid (1995), James, Chester and Robert (2002) did empirical work on measures to evaluate effectiveness of HR approaches. James, Chester and Robert (2002) state the relationship between a differentiation-oriented competitive strategy and its performance

is positive. Whether all these approaches and measurements can be trusted in the bounds of good sense or practicality is a big issue we should focus on the future.