This previous page is developed for readers that are not aware of the strengths based approach and to give a deeper understanding of the theme.

I. The "strengths based" approach

"People don't change that much. Don't waste time trying to put in what was left out. Try to draw out what was left in. That's hard enough" (Buckingham & Coffman 1999)

The strength based approach focuses on the individual's strengths -not weaknesses. The individual then will accomplish its "new tasks" much better, because the tasks refer to its strengths. Doing things better gives motivation to individuals and many other variables are affected positively. The neuroscience explanation according to Hodges describes that the major development of synapses take place in the ages between 3 and 15. An individual has its strengths at its best developed points of synapses. The individual thinks in a "special way", the way of its largest synapses most, for that reason the weaker developed synapses will disappear over time and the stronger ones will make further developments. After the age of 15 this process is finalized up to a point where it can not be reversed into other "ways of thinking", even though they can still "…develop a heightened self-awareness, they can stabilize their values and beliefs, and they can add knowledge and skills on the way to developing their talents into strengths." (Hodges)

Focusing on wiping out the weakness of an individual would be almost senseless, it de-motivates and same failures happen frequently, which is most important for the creative process of innovations and projects. Following Maslow (for Maslow' Hierarchy of Need pleas see Appendix 6), ideas develop in the stage of self-actualization, therefore the physiological, the safety, love & belonging and esteem have to be fulfilled. Pushing a person's weaknesses convulses the stages of love & belonging and the esteem, so the self-actualization within a project can not be fulfilled best.

Dividing people with the neuro-linguistic programming (NLP) method the "blue type" will not be satisfied in a leading position where the person has a lot of decision-making to absolve. The emphasis must be on the individual's strengths to tackle further stages in the development of people. There are methods to figure out the strengths of a person, one of them is on the website www.strengthsfinder.com, which is developed by the Gallup organization. Speaking in long terms strengths in the SHRM should be figured out in the job interviews to give a certain position for a maximum fit. In order to make a faster shift it is possible to integrate the approach to the existing culture and climate of the organization.

Task 1.1

Critically evaluate how you would interpret the 'strengths based' approach in SHRM terms and models. Assess what it might say about change in organisational strategy at BAE.

Introduction

The following task 1.1 develops the strengths based approach into SHRM models, features and terms. BAE as one of the first organizations that implemented the strengths based approach. BAE can implement a mix the modified SHRM models outlined in this assignment, which will influence their organizational strategy further.

The second part of will asses the value of the strengths based approach with respect to the learning, development and change perspectives in the human resource development.

The last part –Task 1.3- will evaluate the type of skills and roles the HR department requires to develop the strengths based approach, thereby professionally respecting strategic aspects. For a fully understanding of this topic the reader requires basic business-knowledge and be aware of the Maslow approaches.

1.1.1 Changes in the organizational strategy at BAE

The organisational strategy moves on to the systemic perspective (from Whittingtons four perspectives), to "…a much more customer-orientated organisation that does maintenance and support". Furthermore BAE is dependent on its environment as it says "We protect you and you protect us!" (BAE Systems 2007), it consists of different subsystems that are interrelated, it's a dynamic process, they are pluralist, deliberate and the communication channels are strongly interrelated.

As the board told Linley: "Yes, we like this; we want to take this forward" BAE systems will "…integrate the modified strengths based approach." To see what happened in reality at BAE systems concerning recruitment and selection please see Appendix 1.

The following strategies are modified to integrate the strengths based approach in SHRM and give possible recommendations to BAE systems. Thereby BAE can create with these strategies their own strategy mix having the strengths based approach automatically inherent.

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Implications from the strength based approach on SHRM models

(The text in italics consists of suggestions for an implementation of the strength based approach, the normal written text are quotes.)

1.1.2 The life cycle model

1. Human resource functions: Recruitment, selection and staffing

Introduction: Attract best technical / professional talent / *figure out strengths of applicant / match strengths with technical professionalism and evaluate the best person*

Growth: Recruit adequate numbers and mix of qualified workers *–the mix should consider different talents and strengths (e.g. do not hire 10 decision-making talents for a project etc.).* Management suggestion planning. Manage rapid internal market movements *–spread the variety strengths to give a fast response to change.*

Maturity: Encourage sufficient turnover to minimize lay-offs and provide new openings. Encourage mobility as reorganizations shift jobs around *–discover new strengths.*

Decline: Plan and implement workforce reductions and reallocation *–thereby consider the "strengths-mix".*

2. Human resource functions: Compensation and benefits

Introduction: Meet or exceed labour market rates to attract needed talent *with the required strengths*

Growth: Meet external market but consider internal equity effects *–the best "strengths fit" will decrease internal equity effects, therefore might lash Kaizen onto the strengths based approach.*

Maturity: Control compensation. *(same tasks like growth-stage)*

Decline: Tighter cost control *–lash life-cycle costing method to strengths based approach / think about outsourcing when strengths do not fit perfect to reduce costs and risks especially in this stage of decline.*

3. Human resource functions: Employee training and development

Introduction: Define future skill requirements –*modify requirements to strengths and give a mix to cover all tasks needed*- and begin establishing career ladders

Growth: Mould effective management team through management development, organizational development, the mix of strengths within the team and dispensation of tasks to strengths.

Maturity: Maintain flexibility and skills of an aging workforce –*re-evaluation of strength and compare to fresh workforce and maybe restructure the aging workforce in other department –as people are most creative in the ages between 20 and 30 but still keep old "strengthed" people in, their experiences are irreplaceable.*

Decline: Implement retraining and career consulting service –give feedback on strengths and modify training towards strengths.

4. Labour/employee relations

Introduction: Set basic employee relations philosophy and organization

Growth: Maintain labour peace and employee motivation and morale –*to tell employees their strengths, instead of focusing on their weaknesses to give more positive effects in the organizational culture and climate; "…begin with building a strength based culture within a specific team" (**from Case Study**), when it was not done in the introduction-stage.*

Maturity: Control labour costs and maintain labour peace –*avoid contradicting strengths in the "strengths portfolio".* Improve productivity –*reallocate strengths with the TQM or Kaizen process.*

Decline: Improve productivity –*specifying tasks with strengths more closer-* and achieve flexibility in work rules –*e.g. flexible work time, on the one hand the individual will know best, which daytime his or her strengths is and on the other hand it does respect the individual better-*.Negotiate job security and employment adjustment policies.

The strategic life cycle (LC) model gives a response arising from four different dimensions. Every Dimension is divided into Introduction, Growth, Maturity and decline. Each stage gives a different response. Every response is held open, so it is easily possible to integrate other features like the problem based approach. The problem based approach does partly exist in the life cycle model, where it asks for talents, but it does not cut and size the talents deeply enough for accrediting that the strengths based approach is integrated in LC-model. Furthermore, it is hard to integrate all "five ways to build a strength-based organisation" (Case study), into the model, because of its different stages. The strengths based approach could also be bound to a Kaizen or a TQM system to constantly re-evaluation, refining and focusing the strengths. Referring to that model managers should give respect for the time of development, because "a strengths focus in an individual, a team or an organisation does not happen overnight". Further left out by the model are different geographical stages of an organization in other countries, so systems could be benchmarked, e.g. implementing the problem based approach.

Other models

1.1.3 The best practise view

The 18 key practices do both, partly agree and partly disagree with the strengths based approach. The "use of psychometric tests for selection" can be partially related to the strength based approach. The "flexible job description" and the "multi-skilling" are points that disagree with the problem based approach, because one person has one network/ "one way of thinking". These two points could be replaced by the strength based approach, as outlined above.

1.1.4 Best fit integration

Best fit integration is basically linking the business strategy with the HR department. Thereby the HR strategy has impacts on both, structural an cultural change. The cultural change respects the behaviour of the individuals, which could be connected with strengths based approach, for reallocation and re-evaluation of the "strengths based mix." The structural change in this model will be improved by focusing the "job profiling", where the competence should cover the core tasks and be emerging, then a HR policy response will be developed. Applying the strengths based approach to best fit integration, the strengths must be considered

in the competences and the tasks that follow in this model, by e.g. using the "strengthsfinder" or other methods. The integration between business strategy and HR should be done to its full potential to give the "best strength fit integration".

1.1.5 Resource-based approach

The resource-based approach basically focuses on internal factors first and its potential and then discovers and develops a strategy to enhance the resources available. The evolutionary view from Mueller (1998) consists of five propositions to cover this strategy. In proposition one the social structure could be expanded "with respect of a strengths mix". Proposition two the continuous improvement could be bound to the strength based approach by re-allocating at changing processes the fields of duties respecting the process change, e.g. in the TQM processing. At the propositions three to five no big implications can be found, but it must be recognized to focus on strengths and not on weaknesses to give a positive feeling for an effective working environment and also a minimum amount to resources consumed.

Task 1.2

From a Human Resource Development perspective assess the value of this approach from what you know about learning, development and change.

1.2.1 Common Relations in Learning and Development

Through the global pressures and the constantly changing environment an organization is surrounded by, the direct competitors, the substitutes-competitors, stake holder, share holders and political changes put a constant gale of pressures to an organization. Therefore, the organization needs to react to those pressures by modifying the part, which needs to be change. The change will be implemented into the organization to meet the new requirements. This process will be carried out by the most valuable asset of the organization, its employees and managers. Both employees and managers need to learn how to handle the new situation. Then certain patterns in the learning process will be discovered this will be recognized and integrated in the next gale of changes. When the organization runs these processes frequently changes can be implemented faster, because of a development concerning reactions take place. The HRC process or strategy tackles this in the following ways, approaches and strategies; thereby the problem based approach will be integrated and valued:

The strengths based approach at this stage can be seen as a tool "how to carry out the tasks" of learning and development as well as "how to improve them". This would be done by building a strengths based culture. The following methodologies will show how to give strategic advantage within those processes integrating the strengths based approach and approaching though-out this the desired culture.

1.2.2 Learning and development in HRD

Referring to Burgoyne fulfilling the following principles will make HRD strategic, whereby the aspect of learning carries major importance:

1. Investment in VET and HRD contributes to the achievement of organizational objectives.

2. Line managers are actively involved in the diagnosis of training needs and the monitoring of development activities of staff. *Therefore using different methodologies like different parcing techniques and the strengths based approach, whereby a re-evaluation of strengths can take place constantly and the learning activities can be cut towards the strengths.*

3. VET/HRD is linked with other SHRM policies and procedures to achieve horizontal integration.

4. Learning and development is matched to organizational learning objectives and the learner groups. *The learner groups should have same strengths to work towards a specialize direction or problem; focusing the strengths. The groups should have a mix in the strengths portfolio for explaining tasks that are difficult for everyone, but a must or to get an overview of the organization to see the end results, which gives re-freshness of motivation.*

5. Employees are involved in, and own, the outcomes of the HRD needs analysis. Activities are relevant to their work *and fit their strengths.*

6. Senior manager participate in, and promote, learning activities to establish a learning climate. The climate should have inherent not to push people towards their weaknesses, which would be de-motivating, destroying parts of the creative process and the self-development, caused by negative effects in psychology of an individual –outline more closely in the strengths based part above.

7. HRD - *having the strengths based approach inherent-* becomes part of the organizational culture rather then being imposed upon it.

Shepherd's strategic approach to HRD includes approaches from the principles from Burgoyne, where "behavioural skills and knowledge gaps are diagnosed and addressed in an integrated way". (Script pg. 295) Comparing to Linley the strengths must be focused, but "if there are areas you aren't strong in that are performance critical, then they have to be addressed as well." (Case Study) The strengths based approach is basically about following the strongest synapses for maximum learning and development effects. Fields of duty will be accessed by strengths and then other approaches can take its place, whereby always remembering not pushing weaknesses, as long as there is an opportunity.

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1.2.3 Learning organizations

Learning is an essential process for organizations and will lead to change within this process. The interdependence between SHRM learning, change and performance are on equal importance. SHRM sets the climate and environment for learning and change processes. The better the climate the better the learning conditions the faster the changes the better the adoption to the changing environment the better the performance. To start this chain of effects positively the climate must be at a professional set. The strengths based approach delivers a range of positive side-effects which stabilize the climate in a positive way. Referring to Hodges (year) the following psychological measure have been positively affected by using the strengths based approach: hope, subjective well-being and confidence. As we know from above the Maslow approach states, best results develop at the stage of self-actualization, especially in the innovative process. Lastly letting people take their fasted way of thinking (strongest-synapses) will lead to multiple effects and go beyond, for that reason the BAE system experiment solved problems never solved before.

A learning organization is defined as an adaptively organization that responds to internal and external attractions in a deliberate way and continuously transforms itself through developments. The strengths based approach can be used to boost this process. Furthermore learning applies to all levels of the organization, which means the strengths based approach needs to draw a clear line through the whole organization, having the right mix of strengths inherent –as outlined above-, for reaching through its multiple effects a faster development and self-development, which is required to be a LO.

1.2.4 Implications on Pedlar's M. et al (1991) model of the learning company –a focus pursuing the strengths based approach

The practise point nine "inter-company learning" can value via benchmarks the effect in particular areas in order to introduce the strengths based approach more deliberate, which raises the value by less costs of integration of the system.

The learning climate within the model creates a professional atmosphere to raise questions and tackle tasks in a friendly way and for this reason with positive psychological effects. To avoid possible overloads on questing, which carry cost issues, the strengths based approach

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will reduce questions, will boost abilities and psychology of people and create even a better climate. Nevertheless the principles of this part of the model should be maintained, to cover critical areas in the positive and effective way as outlined.

1.2.5 E-learning

E-learning is basically learning via computer. The employee receives a file about a new process or any other changes, which will be explained within the file. The problems with e-learning are the capability to message the new solution or strategy in a way that is easy to understand for employees. Therefore e-learning has to be adopted to different learning types (the way an individual learns best), furthermore, it should be divided into different strengths-area types and adopted as appropriate –expanding the one part and cutting the other parts instead of one learning programme covering everything in detail. The learner will learn the new tasks faster and will gain a better understanding. Time/costs will be cut down by doing this which gives new value to the company.

A wiki-website of the organization builds the opportunity to create a system that keeps the knowledge inside of the company, even when employees retire. The strengths based teams (best case: every part of the organization) can build on the wiki, using the multiple effects of that system. The strengths based team of the next generation can build on this ideas, understanding the ideas of the previous team much better then others, because of having same strengths ("same way of thinking") and the strength based system can expand the value of knowledge over and over again to gain competitive advantage.

Task 1.3

Evaluate the type of skills and roles that and HR Department might need to develop to support such an approach to development.

In order to develop and support the strengths based approach the following principles, skills and roles of the HR Department need to be modified in the way outlined.

1.3.1 Auditing Performance

Starting with the trends in management of HR functions the auditing performance can consider the strengths based approach to benchmark the effectiveness and the cost efficiency in particular areas of the organization. Is it necessary in every stage/ process or working package to introduce the strengths based approach? Can areas/jobs be identified where skills only are required? Where needs to be a strengths focus, thinking in terms of budgets? Lastly the additional value can be measured, ceteris paribus; then report implications to reform HR strategy over again.

1.3.2 Connecting Devolution and Centralization

The HR department has to word in a close interrelationship with line managers. The HR departments need to know the strength required from the line manager. The line manager should be strongly involved of the ongoing process of focusing strengths, but not tackle the tasks his-/herself –HR specialists are needed to integrate.

1.3.3 Recruitment and selection

Before the recruitment and selection phase HR Departments need to know the required strengths. Next, they need to develop test/questionnaires to figure out the strengths of the applicant and they need to have a sense and experience for figuring out the strengths. (Helpful for this process is the "strengths finder" –named above). For projects they can develop a strengths portfolio, for a more strategic recruitment.

1.3.4 Training, development and appraisal

The training and the development in the first line should focus on the strengths of the employees, the weaknesses only in critical areas. The HR department should be able to see the strengths of their employees and set them in the right position to expand the strengths. Furthermore the HR department should mix the right training teams, which then interacts

positively. The development of the employees should focus on their best strengths areas, therefore right tasks need to be evaluated. In the appraisal the HR Department needs to ensure changes in tasks –Does the same tasks, position (e.g. product-related) change, the strengths of the employee does not, which can be done by monitoring the performance, quality and speed of product/innovation related development, therefore operational numbers can be developed.

1.3.5 Outsourcing

The relevance of outsourcing concerning the strengths based approach maybe seem to be abstract. As we know from the case study of BAE systems tasks were managed, through the strengths based focus, never solved before. Therefore, an outsourcing decision should consider the new possibilities of the strengths based approach, where more professionalism is possible. The other way around an organization might think about in-sourcing from this new aspect. In both cases out- and in-sourcing the HR department can be stronger involved in this decision making process –e.g. outline the strengths and weaknesses form the HR point of view.

1.3.6 Ulrich's strategic HRM perspective

Ulrich displays in the following model the interrelationships between different strategic aspects of the roles of an HR department. This model will be expanded by the issue of the strengths based approach where appropriate.

Strategic partner   ←→   Administrative expert

Employee champion   ←→   Change agent
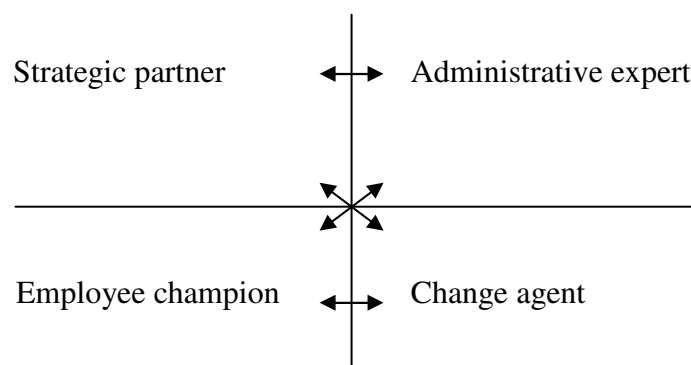
1. Partner in strategic execution

The main question Ulrich puts forward is: "Did the company's culture fit its strategic goals, did its competencies, and so on?" The new skill of the HR department is to figure out, if the strengths fit the strategy, when not change –as outlined in sections above.

2. Administrative expert

Basically concerns the focus on HR and in the HR departments itself. The critical point that can be brought forward is that the strengths of the HR director do fit the integration of the strengths based approach as a task. The HR department should have different strengths themselves, the probably most important strengths is to assess employees strengths, morals and abilities. The HR department needs to have very strong and deliberate focus, as Ulrich states competitors can imitate almost everything but not the development of people.

3. Employee champion

In order to develop the employee champion the HR department needs to train "line managers in how to get the best out of people" (Script pg. 79). The new role of HR is to train line managers in the competencies required for introducing the strengths based approach. For more information: see above at Connecting Devolution and Centralization.

4. Change agent

The change agents' task is to move the actual culture in to the desired one to fit the new environment. The new role would be to evaluate the "strengths fit" of the actual culture to the desired culture. Does it not fit then the strengths mix needs to be changed as appropriate.

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2 Task 2

Outline the main features of a performance management system. Critically evaluate the relationship and contribution of performance management systems with strategic human resource management principles.

Introduction

The main features of the performance management systems will be outlined. Therefore the main order of PMS will be delineated and then served with specific features in the same chronological order. The two different approaches –people based approach and process based approach- are outlined first, because the strategic choice of one of them will make the reader seeing it from a different perspective. Performance based hiring is a new tool of PMS and is additionally outlined in the appendix 2. The reader needs to have basic HR knowledge to fully understand the topic.

2.1 Definition Performance Management

The objective target of performance management is a systematically, multidimensional performance-measure, -navigation and –control; additionally the pursuit of different performance areas (e.g. employees, teams, departments and processes) with the target of continuous improvement of the performance of individuals and the organization. In the performance management learning effects and employee motivation must be established and maintained.

Performance management systems have various features to achieve the objective targets. The main features however are:

1. Objective setting

2. Ongoing review of objectives

3. The development of personal improvement plans linked to training and development

4. Formal appraisal with feedback

5. Pay review

6. Competence-based organizational capability review.

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2.2 Comparing the process based and the people based approach

In the performance management there are two general different approaches to improve performance, the process approach and the people approach.

The idea of the people approach is that high performance will only be reached by focusing on the people. Which means having the right people for a particular job in the right quantity, trained right in skills required, effectively led and motivated, then people automatically work right and effective. People will fulfil the job.

The process approach has a predetermined set of outcomes, which will be achieved by analysing the work required and then constructing the most efficient workflow of activities. The job evaluation is based on process terms, which is an impersonal set of working activities. The job fulfils the people.

Managers can choose a part of the set of the culture by deciding, which approach to choose. In some cases this decision is manly driven by its branch.

2.3 Critical path analysis

This analysis has the process approach inherent and is a developed plan with variables and fixed time points to get a project done in a particular time. The variables are hard to predict and it will have a stronger focus on critical point that have to be met to fit the maximum duration of the time estimate.

2.4 Merit rating

Commonly people get paid the amount of value of the job carried out, whereby merit rating assess the value of the individual for a particular job, which approaches a more payment fairness that should be appreciated by employees.

2.5 Objective setting and measuring (referring to 1.)

The setting of objective in PMS basically asks three questions, secondly these objectives need to be measured and reviewed. The three questions are:

"What is the nature and scope of the performance management objectives and measurements?"

"How well-defined and linked are performance management objectives to corporate objectives?"

"How are they linked into individual and organisational capability resources…?"
(Scrit pg. 191)

Thereby there is the "people focus" of main importance. The motivated staff will reach the objective more efficient, the motivation from this point arises from hard factors, like reward money, development, job and career satisfaction and employment security. These factors are seen to be measurable and comparable to the results/ the outcomes.

Possible performance objectives are financial improvements, quality targets, productivity targets, developing skills and getting good customer feedback.

To achieve these objectives best PMS have three core activities consisting of to develop competence (people need to have the abilities and capabilities to carry out the tasks), to meet the targets and to create an appropriate corporate culture.

A further fragmentation to meet these objectives is carried out by three other dimensions: Productivity/ output related objectives, job related objectives and person-related objectives. The last two are interrelated to performance as well, because they tell how to achieve a better performance, basically by good selection & delegation and rising motivation & communication.

2.6 Balanced Score Card (BSC) –"what you get is what you measure" (referring to 2., 3. and 6.)

Following Leopold, Harris and Watson the Balanced Score Card was established in 1992 by Robert S. Kaplan and David Norton, which is a concept to measure activities within an organization to achieve specified visions and strategies, to give managers a comprehensive overview concerning performance and efficiency of a company. The new element does not only focus on the financial perspective, furthermore on human aspects, which are the drivers of the results, so that the company can focus on long term interests.

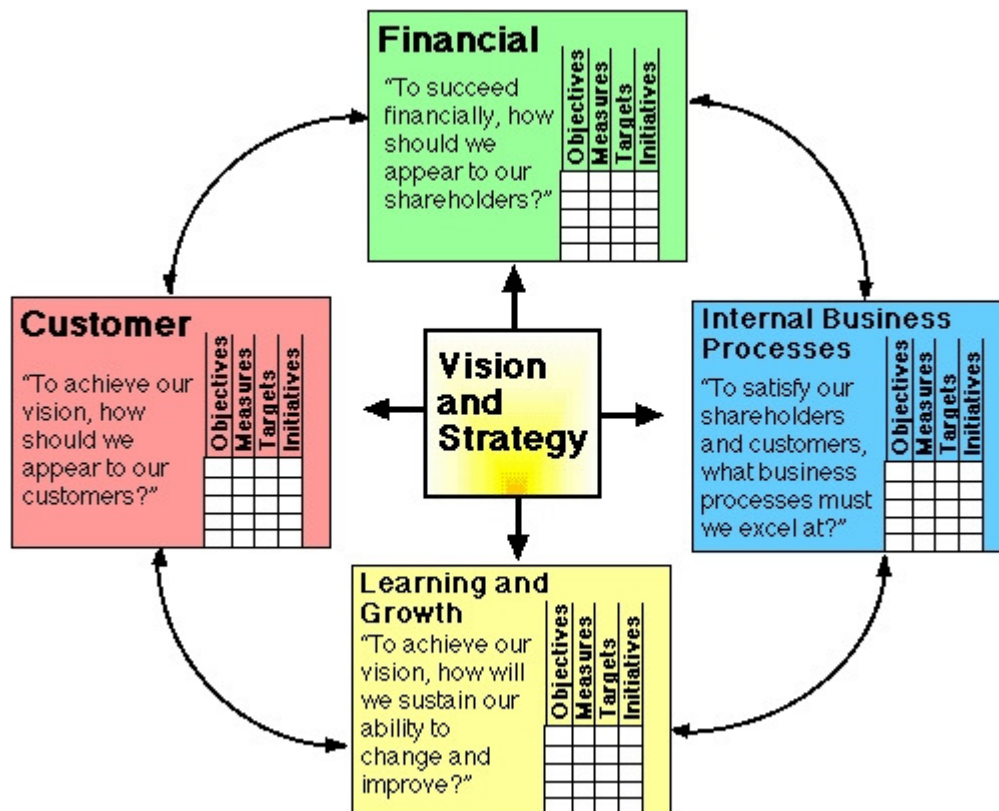The BSC allows constant reviews of objectives set.

Figure 1: Balanced Score Card

http://www.balancedscorecard.org/basics/bsc1.html

The BSC is a management system which consists of quantitative and measurable operating numbers, which describe the performance of an organization out of four different perspectives. Each perspective of the BSC pursuits a particular vision and strategy. Furthermore each BSC-objective has a specified vision inherent.

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The BSC makes people performance measurable and controllable, further it is a tool to prove the value and the abilities of employees and set targets from different dimensions. The vision could be: improve customer service = number of after-sales persons / total number of employees; then benchmark with the strongest competitor. To improve quality we could measure = products sent back / total products sold. Then a further division of that operational numbers into further operational numbers. Supplementary the BSC is a pluralistic tool which "recognises that various stakeholders of an organisation will have different ideas which measures are the important."

The four perspectives of the BSC are: 1. the financial 2. customer 3. internal business and the 4. innovation and learning perspective.

2.7 Team based structures (referring to 3.)

Nowadays teams are considered to be a key-performance factor concerning knowledge based working and innovation. Therefore, the trend is moving from an individual focus to a team emphasis. The team emphasis has team performance related pay inherent to meet a better co-operational approach within teams; otherwise the team consists of individuals each having its own (selfish) interests in a project. This new HR approach provides a more dynamic team which can be much more independent to meet wider organizational objectives.

2.8 Personal Development Plans (PDP) (referring to 3.)

Referring to Leopold, Harris and Watson "The personal development plan (PDP) is a document and a process that encourages employees to…" carry out a systematic diagnosis of their requirements for development, to screen these development requirements in a form "…that will encourage line managers and training specialists to provide the resources and support needed to achieve them", a ongoing record comparing their learning targets against their achievements and "…provide others with a systemic profile of their competencies and achievements." (Script pg. 198)

2.9 360° Appraisal (referring to 4.)

Regarding to Leopold, Harris and Watson the also called multi-rater assessment does not only imply an interview between appraisee and appraiser conducted by the assistance of questionnaires which are usually "…designed around a competency framework or a psychological instrument." (Script pp. 196,197) In the multi-rater assessment several people are ask to appraise an individual against the competency framework. "The feedback can be from the subject's boss (90° appraisal), from their staff (180° appraisal) and from colleagues, clients and customers (the full 360° appraisal)." (Script pg. 197)

The to be appraised questionnaires concerns competencies or certain dimensions required to the individuals job, e.g. it questions the individuals effectiveness. The answer are evaluated and formed into to a report, thereby different opinions can appear concerning the same component of feedback, e.g. staff believes the individual is a good team-worker but peer do not. The HRD then explains the figures in detail to the individual and helps to develop an action plan in response to the multi-rater assessment.

"Multi-rater appraisals and PDPs make an individual confront, and take responsibility for, their own limitations but the limitations are defined by comparison with a competency framework designed to express the needs of the organisation." (Script pg.199)

2.10 Staff appraisal (referring to 4.)

In regard to Leopold, Harris and Watson a staff appraisal will be undertaken, when many tasks already examined are acted out. Assessment of an individual's abilities and contribution, as evaluated through performance operational numbers and PDP's is the main act of the appraisal. To avoid suspect judgements the staff appraisal "designers of appraisal schemes have many options to choose from and their task should be seen as one of strategic choice in which contingencies they see around them are enacted." (Leopold, Haaris and Watson pg. 201) For the strategic choice of the appraisal designers can rise priorities and expand the following matrix:

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	Accountability	**Development**
Peer	Peer accountability	Peer review and development
Hierarchy	Performance target-setting and review	Competence assessment and development

There are various other types of appraisals, e.g.:

1. Top-down schemes
2. Self-appraisal
3. Upward appraisal
4. Peer appraisal
5. Multi-directional appraisal (also called 360° appraisal)

2.11 Pay Review (referring to point 5.)

The annual pay review gives employees the chance to increase their income. Thereby, outcomes and job-fulfilment play a major role. Does the employee perform better than expected or in comparison to others at same the stage his or her income can increase by a certain percentage. The annual pay review is another tool of hard skill performance based motivation.

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2.12 Evaluation of the relationship and contribution of performance management systems with strategic human resource management principles

Introduction

Therefore the evaluation will be drawn alongside the features of PMS outlined to give a specified answer. Furthermore the SHRM principles were manly already included in task one, but they will be partially reviewed to the essential extent to give a fair evaluation.

Performance management systems (PMS) are part of the strategic human resource management. SHRM serves the changed environment, which is global and moving faster then ever. Global competitors can imitate everything, with the exception of highly motivated, high skilled and highly flexible staff, which are main principles of SHRM to achieve. "The SHRM principles rely heavily on attempting to manage and form corporate cultures. This in turn relies on attempts to align individual staff culture with individual culture. The range of issues included within PMS, for example, reward, development and so on, and the style of delivery, such as involving or judging will influence this culture." (Script pg.186)

One key driver for SHRM is the fact that work is becoming more insecure, therefore the PDP as the feature of PMS ensures the development of people and thereby as the people sustainability within the organization. Furthermore PDP can be seen as an application assistance in the case of redundancy. Thirdly, it recognises the employee's performance, which the employee will be proud of and therefore more motivated. PDPs can also be used for annual pay review, where the employee can achieve a higher income which pushes the motivation again. Lastly, this system improves the skills though out self-control and a individuality focus is met as well. From this perspective the key concern of SHRM is solved via PMS.

As a pluralistic system SHRM also recognizes the external environment and its stake holders. The balanced score card responds to the external environment with operational numbers. Thereby customers are respected as well; e.g. to improve the point of sales with investment in business equipment and give a better climate & working environment. However, the BSC has the learning and growth perspective inherent, which is also the development of people for long-term sustainability.

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The measures of the BSC provide information of firm's performance targets (Script pg. 14; 18 key practises) and it links the business strategy with the HR department (best fit view).

The BSC however can be used vice versa as a hard controlling tool to improve short term profits and run down everything to the "as much as necessary point", which would be the total opposite side of SHRM.

One focus of SHRM is to develop people, make them responsive to changes and "regular feedback on performance from many sources" (Script pg. 14; 18 key practises). The 360° appraisal does this by giving regular feedback on performance from various perspectives. The employee also gets to know fields he or her needs to improve. Fields where he or her is good at will motivate and possible recommendations show where to work on to improve his or her development. On the other hand it can be said that the 360° appraisal pushes weaknesses which confront the strengths based approach –as a new approach of SHRM.

SHRM should have the "presence of work-improvement teams" and the "presence of problem solving groups" (Script pg. 14; 18 key practises). Team based structures approach of PMS makes teams stronger throughout a pluralistic view, to move away from the individual perspective. The Teams will work more closely together and develop better communication channels within it.

The strengths based approach highly motivates staff as outlined in tasks 1. High motivation is a further principle of the SHRM. Merit rating serves this point in so far that it seeks particular strength for a particular job by a higher payment.

SHRM lays a vital focus on people. In the PMS both is possible, the process based approach and the people based approach. The people based approach develops employees to a very valuable intangible asset, by training and a motivation led philosophy. In the process based approach contradicts SHMR in this point by suiting people into processes and focusing on the development of these processes. Quality cycles and the critical path analysis have the process based approach as their basics.

The last feature of PMS outlined in this assignment performance based hiring suits the aim of SHRM to "attract best technical/ professional talent" (Script Life cycle model pg. 8).

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Conclusion

PMS have a major role within the SHRM to achieve its objectives. Both follow similar principles or the same; in the areas where PMS can have its impacts. Using the right mix and intensions of strategies it even can be said it suits SHRM almost perfectly.

Nevertheless in an objective evaluation the contribution can only partially be agreed. Many features of PMS have another side of the coin, using them in short terms vice versa, taking the process based approach, pushing to much the weakness rather then the strengths of employees, using the measures to built up pressures and using the pay performance review to threaten the job security.

The relation ship and contribution depends on the administrator or manager that decides the basic HR strategy.

Words total: 2443	Words quoted and Headlines: 556	Net words: 1887

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3 Task 4

Employment 'Partnership' is seen as a way forward to integrate employee relations within the strategic SHRM (strategic human resource management) framework. Outline what is meant by the term 'partnership' and discuss the fit with SHRM using case examples to illustrate your discussion.

Introduction

First the terms industrial relations (IR) and employee relations (ER) will be defined to give a more detailed suit to the term employment partnership. Moreover case examples will be outlined to describe the development of partnerships in different countries, these developments lead to new perspective of partnerships which are defined as well. The last part concerns a discussion of the relationship between theory of partnerships and SHRM and a further discussion of problems arising recently between SHRM and partnerships.

3.1 Industrial Relations (IR)

Industrial relations are the relations between employer and trade unions. Trade unions represent the employees collectively. The base of this relation has collective bargaining and – agreements inherent, with the main issue to positively influence the employee contracts. The industrial relation is bound to highly formalized rules and procedures, and formal authority for negotiation and solving conflicts. The procedures permit formalized discussions to take place and work strikes. Employees are confident with work strikes and built confidence that their interests will be appropriable represented. Through this procedure the relationship between managers and employees will become of an ill-nature. Furthermore, "each change in expectation is formally discussed and argued or vetoed." (Script pg. 352)

3.2 Employee Relations (ER)

Employee relations can be seen as the positively expanded of industrial relations. ER focuses on the same relations like IR –employee, union members and managers. The shift between both –ER and IR- is the diversification (e.g. works councils) from the collective bargaining process. The individual is more empowered, "…which managers would argue improves the quality of dialogue and understanding in the workplace." (Script pp. 352/ 353)

The unions accept the employees' right in order to develop direct employee communication channels, more involvement and "various attempts to develop higher employee commitment

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and motivation." (Script pg. 353) This further developed approach of industrial relations focuses more on the long term sustainability of organizations and long term job security.

Employee relations should avoid the negative influences of industrial relations.

3.3 Development of IR to ER and Employment Partnership (EP)

3.3.1 UK perspective

By 1969 the number of strikes reached a record level of 3,000 and a loss of seven million working days, because of the domestic empowerment of trade unions facing the development of globalization and new attitudes towards job security and working conditions. By 1979 the union membership increased to 13 million, in some industries the membership went up to 75% and over. A further reason for this development was the non-existence of formal rules of collective bargaining. The "winter of discontent" inherited 29 million working days lost.

Europe had a high acceptance of social partnership between unions and employers, thereby not only debating wages and productivity, but also training improvement –in the case of Germany. Japan had even a wider sense of interrelationship between unions and employers, having unions organized at an organizational level, which worked in co-operation focussing with the employer the organisations objectives.

In respond to these developments Britain adopted this attempt and introduced the Advisory Conciliation and Arbitration Service (ACAS) to support individual and collective labour management processes. "Both employees and unions rejected legal interaction preferring the historical voluntarist approaches." (Script pg. 354)

ER shifted later in some cases from collectivist to an individual relationships to management, e.g. direct communication rather then through representatives.

However, the 1980s and 1990s saw a downfall of union and employee control, as managers responded to market pressures by part-time employment, new technology, new lean working practices, downsizing, outsourcing functions and enhancing flexibility, structurally, in terms of skill acquisition and cognitively, with respect to flexible mindsets and approaches to learning.

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3.3.2 US American Perspective

"The US Department of Labour acknowledges the wider recognition and acceptance in the USA of the dominance of the universalistic principle for best practise represented through a high performance work system led by a strong management tradition." (Script pg. 359)

Union membership recognizes an ongoing decrease and there are many examples of the so called "managing through partnership". Furthermore unions are involved in the organizations strategies.

Employees themselves have an impact on reducing directly design and engineering costs and improve processes –thereby time efficient. Additionally, employees receive instead of wage concessions shares, which are described as managing the partnership strategically melting business and employee objectives together.

However, US America can not avoid the global pressures, within the global competition. Organizations will always try to suit pressures, at a certain level of pressure whereby cost efficiency must be achieved at a level of non-conformity with partnership, e.g. changing the location of production or in the case of UPS hiring part-time worker to avoid more costs for employee pensions. These methods and these mentioned above in the last section of the "UK perspective" give organizations flexibility, which is a key issue in the SHRM. "In this way we see flexibility as a potential threat to collaborative and partnership ER." (Script pg. 359)

3.4 Partnerships

There are two different kinds of partnership, the employer-union partnership and the employer-employee partnership.

The employer-union partnership is a contract of a win-win strategy relationship. The union's major interest is to maintain and increase job security and the level of wages. The employer's major concerns are strikes, which display a bad picture to the organizations stakeholder and have enormous costs inherent. The contract between employer and union ensures certain conditions for employees, e.g. job security in the first priority, further working conditions, training and development. "The TUC sees partnership as requiring job security and quality of working life and as being long term."

The "employer-union" partnership from this perspective can be seen as the "employment partnership".

The employer-employee partnership first appeared in the USA –as outlined above. Thereby the partnership can be seen as voluntary in a deterministic environment, same as the employer-union relationship. It can be said that this partnership is an arrangement between both parties. The advantage for the employer is less involvement of a union in first place. The advantage for the employee is a better working environment and a better job security. The benefits for the organization go partially along with SHRM –more to that later.

3.5 Partnership Agreements

The Involvement and Participation Association (IAP) launched a project in 1992: "Towards industrial partnership: A new Approach to relationships at Work". The document set up included three commitments and four building blocks:

"The Commitments were:

- Parties subscribe to the success of the enterprise.

- Building trust and greater employee involvement.

- Recognising the legitimate role and responsibility of the parties.

The building blocks were:

- Employees need to employ security and employers need to maximise job / organisational flexibility.

- Success should be shared by the organization and its employees.

- Staff should be widely informed and consulted at the company level on matter affecting their employment.

- Employee interests (voices) need representing."

(Script pp. 406/407)

The employer's commitment is seen as a long term commitment and not as a variable approach based upon power in the market. These partnership agreements fulfil an optimum of accommodation of what I first defined as the employer-employee partnership. A similar approach is the "New Industrial Relations" concerning IR or the partnership between union and employer.
An overview of advantages of the New Relations can be found in appendix 5.
New Industrial Relations developed as well and can be found in appendix 4.

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3.6 Fit of the new Partnerships to SHRM in the Contemporary Theory

The high developments of the competitive markets lead to "new" pressures. SHRM is serving new competitive advantages. Partnerships "push" organizations (volutaristic approach) towards the SHRM, with few exceptions.

Two of the main concerns are job security and flexibility; both SHRM and partnerships want to achieve the same objective, where by SHRM has a much deeper understanding of how to, while partnerships simply arrogate in their principles that this should be maintained. Therefore unions have tools of pressures to achieve this, but they can also provide the required know-how. The first way -building up pressures- make the fit of partnerships to SHRM vice versa, e.g. strikes provide de-motivation and struggles with shareholders with both harm the organization –harming in three dimensions; costs, "de-motivation scheme" and turnover.

SHRM uses different practises at different stages, which also include in the decline phase of the life cycle model "plan and implement workforce reductions and reallocation". Which is not a target of relationships, but relationships expect organizations to tell employees by the right time redundancies. SHRM takes this forward by implementing PDP, which is a document that also helps at switching companies in the case of redundancy. Furthermore PDPs are part of the development and training programmes. Development and training are mentioned in partnership agreements as well. The career consulting service from SHRM is a further way forward respecting concerns of redundancies.

Both partnerships and SHRM pursuit an improved individual acting of the employees, which provides responsibility coming alongside with motivation –"motivation scheme", thereby, also meant in partnership terms the communication between management and employee. Sturgeon ratios should be communicated internal before external, which gives an advanced and more rapid response.

Success related pay is the next issue of concern of "new partnerships", where US American companies brought up the idea of relating a part of the income to shares/the share price –in some cases they even receive share as an additional payment. The SHRM accomplishes this by annual pay reviews, performance pay methods or success related team-pay. SHRM considers the development of careers –e.g. PDPs help to develop these. Furthermore from 18 key practices success related pay is respected by the profit related bonuses.

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Another main point concerns organizational climate to maintain labour peace and employee motivation and morale in the SHRM. Partnerships can be seen as a tool to provide these by having responsive and direct communication channels and avoiding work strikes.

There are many points covered by partnerships concerning the fit to SHRM, but partnerships can have negative influences turning back to relationships in critical phases of the organization. Then SHRM responds to the change environment, sometimes driven by hard pressures so it is unavoidable in some cases to break the partnership by the hard use of SHRM, which are the responses of the decline stage of the life cycle model. The 18 key practises include "no compulsory redundancies", but when there are compulsory and in large numbers unions will appear to negotiate and harm the organization even further.

Partnerships are a way forward of IR and ER, nevertheless they also harm the speed of response, through meetings sessions and regulations outlined above.

3. 7 Fit between SHRM and Relationships –a Discussion in Reality

Literally spoken every relationship can be stressed. The relationships and the different understandings between managers and unions appear to stress the objectives until finding a new content to reconstruct the relationships. In business developments there are appearing always to be waves, ups and downs of different systems and approaches –some of them appear because of change (as outlined above), some of them because of a overstressing (which will resumed later to) and some of them with the reason of new market/ new organization with substitute products.

Different stages of developments in the organizations, concerning their management behaviour will constantly influence partner- and relationships, because of missing knowledge of the new area and within that the market entry barriers have to be overtaken; thereby, misunderstandings appear or the financial inability to built up SHRM.

Recently call centres in the UK were/are in conflict with partnership, IR and ER. SHRM is stuck in the middle, on the one hand there is no SHRM in the case of BT call centre worker having "19th century management style, impossible targets, stress and understaffing, rather then pay" (script pg. 410) etc, on the other hand "tighter cost control" and "attract best professional talent" (life cycle model) have led to outsourcing (seen as a feature of SHRM). Outsourcing is done to reduce risks (internal equity effects) and focus on core competencies. Outsourcing has to be cheaper then self-production or service. The service in fast developing

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areas meeting pressures at high level through a price driven competition. Nevertheless BT must now follow the history of IR, ER and relationships. This will be a process similar to the development of other industries starting from the 1970s until now, but faster. BT is in conflict with partnerships and SHRM and the other way around. This conflict situation will become a IR in first stage facing pressures of unions involvement and then the development, because realization come step by step with a certain development of BT.

Lastly referring to the case of BT, that a quantitative comparison shows more SHRM practises as problems, the problems of replacement and recruitment cost could be done by half-automation, whereby the call centre employee figures the problem and relates it to the right topic and a non-human would answer the question, but this would fall into conflict in redundancy perspective of relationships –which might be un-avoidable in the future to maintain service quality and low replacement and recruitment costs. However, SHRM aims in the main points to the similar objectives as relationships.

Conclusion

The fit of SHRM with partnerships can be partially agreed. Viewing the relationship between those will lead to different opinion, whereby partnerships can be seen a voluntaristic in a deterministic world –its better to have partnerships rather then hard industrial relations. However there are features in the frameworks of SHRM that particularly do not fit with partnerships –e.g. to decrease recruitment costs. SHRM considers a global perspective, whereas partnerships try to improve the "home economy" –this can be related to income-effects. Nevertheless partnerships are an improvement of the old relations and will continue to get more flexible, but in a competitive world –a world of pressures- there will always be contradictions between those, which my old professor said: "combing those is like the quadrature of cycles".

Words total: 2340	Words quoted and Headlines: 388	Net words: 1952

II. Definitions

Definition of SHRM:

SHRM developed in the recent decades and experts have different opinions concerning the range and the activities of SHRM.

According to Schuler SHRM are "All those activities affecting the behaviour of individuals in their efforts to formulate and implement the strategic needs of business."

Wright states, that "the pattern of planned human resource deployments and activities intended to enable the forms to achieve its goals."

HRD definitions:

Learning or training: A process of an individual of the information to accommodate knowledge and skills to carry out a current of future task.

Development: Processes and experiences arouse of an individual will develop it. After a development new tasks will be covert faster and better.

Education in this context is the knowledge brought along by an person, e.g. managerial programmes as BA Business.

These terms can be bound to four strategic purposes: Skills gaps, catalyst for change, achieving competitive advantages and creating learning environments.

Strengths mixed team:

A team of employees of an organization perusing the same target having different strengths to absolve necessary tasks required, thereby it needs to be considered that strengths do not conflict each other.

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III. Appendices

Appendix 1

BAE real information

The BAE website has a variety of features for applicants. Everything is deliberately outlined even with videos. They are laying the focus on culture, career development, career recognition, benefits, diversity and corporate responsibility. The interviews of different employees state that they have got a very good and challenging working environment, high expectations and an excellent link between people's capability and tasks. The career development links states that: "All BAE Systems people are encouraged to realize their full potential as valued members of the Company and we are committed to providing the learning and development opportunities to ensure that people have the professional and personal skills to achieve this."

This will be manly achieved by focusing strengths, using a modified best practise and best fit view. BAE expanded its HR strategy to a very deliberate and employee-related point. For a sample video please see: http://resources.hodes.com/bae-systems/testimonials/.

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Appendix 2

Performance-based hiring (new feature in PMS)

Referring to Adler performance-based hiring is a process which has the aim to hire top talented employees "by establishing a set of standards used by every participant - vendors, recruiters, hiring managers, IT, candidates, and all members of the interviewing team…" "Performance-based Hiring addresses three core recruiting and hiring processes: 1) describing how job descriptions must be written; 2) setting standards for how top people should be sourced and recruited; and 3) using approved and practical techniques to interview and evaluate top people." (Adler 2005)

This process will be carried out by three main principles: 1. Use performance profiles rather than job descriptions to accurately define the real job. 2. Source in the sweet spot. 3. The use of performance-based interviewing.

Performance-based hiring can be done for every dimension of the company; the top manager or even an employee of a call-centre.

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Appendix 4

New Industrial Relations (NIR)

The basic points of the NIR are: extended collective review of wages to cover change, work flexibility, job security, training, no strike agreements, binding final offer arbitration, reduction of restriction on employees, multi-skilling, extended consultation concerning organizational change.

The new points added expand the idea of the partnership between unions and organizations to an extended strategically orientation in terms of SHRM.

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<u>Appendix 5</u>

Advantages of the New Relationships –which hardly relate to SHRM

Through this development a range of positive side-affects appeared:

→ The organization was less influenced by work strikes –cost saving.

→ The organizations have less media attendance in times of crisis.

→ Less work strikes mean more customer satisfaction or less customer dis-satisfaction.

→ The communication between employee and employer improve –the "against to employer attitude" decreased.

→ The working environment improved by more voluntarism, then in-voluntarism.

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Appendix 6
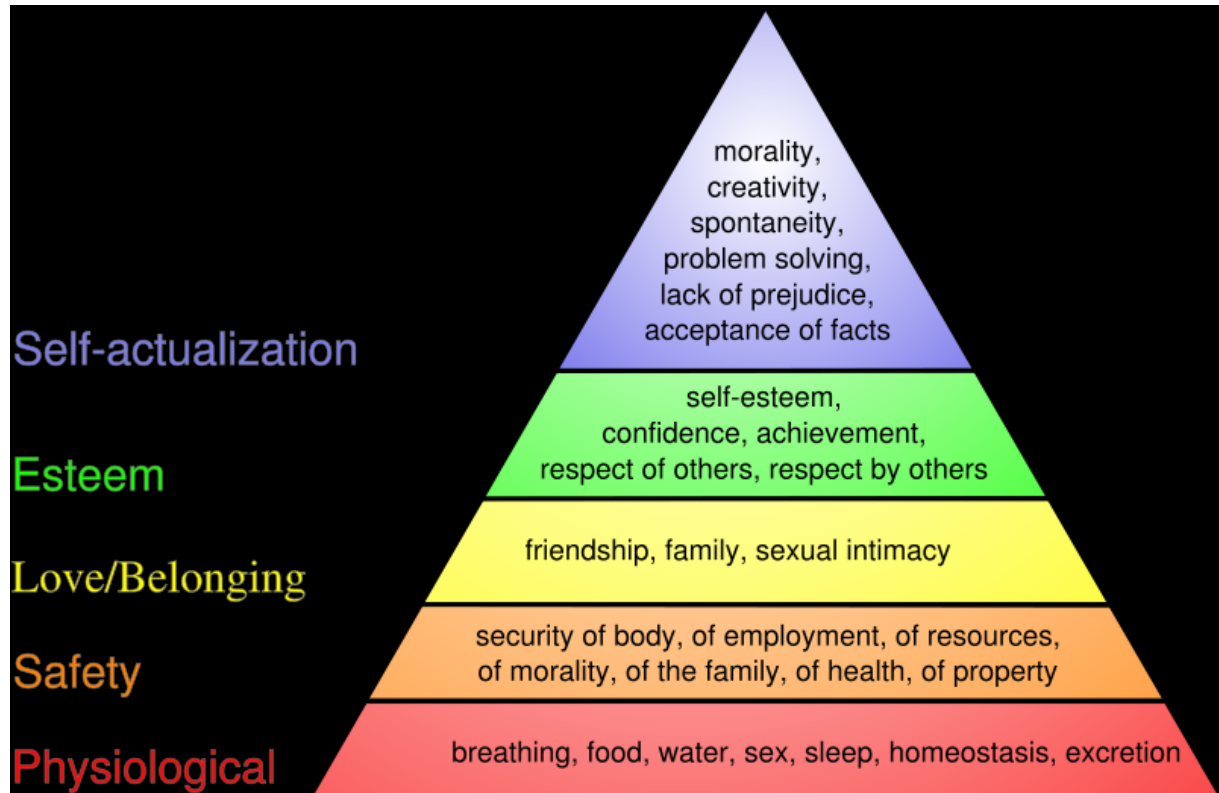
Available from: http://en.wikipedia.org/wiki/Image:Maslow%27s_hierarchy_of_needs.svg

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