

**From silos to synergy: Human Resource Management (HRM)
and Employment Relations (ER) as two sides
of the same coin.**

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Why is synergy necessary?

“[Adaptive organisations] break out of familiar patterns and use a whole new approach that allows them to expand their options. They encourage people in the organisation to connect and collaborate across corporate hierarchies, functions, companies and geographies.”
(McKinsey Quarterly, March 2015)

“The new world of work presents organisations with challenges that require a new playbook – one that makes HR more agile, forward thinking and bolder in its solutions.”
(Deloitte Global Human Capital Trends, 2015)

“A full 60% of employees lack the elements required to be highly engaged.”
(Towers Watson Global Workforce Study, 2014)

A brief history of the HRM/ER divide



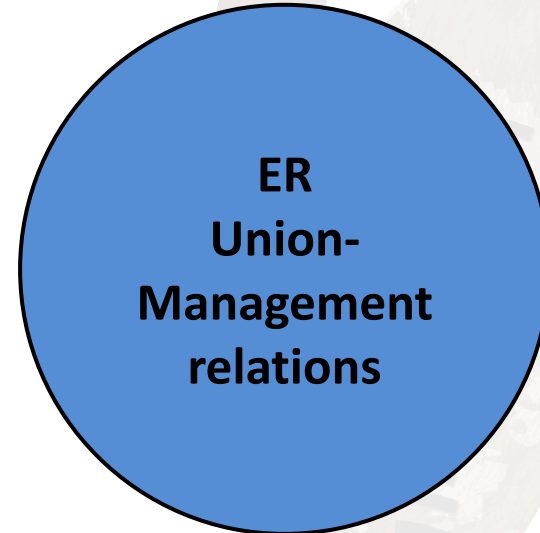
Back in time . . .

Convergence: 'Industrial Relations'

Divergence: HRM/ER



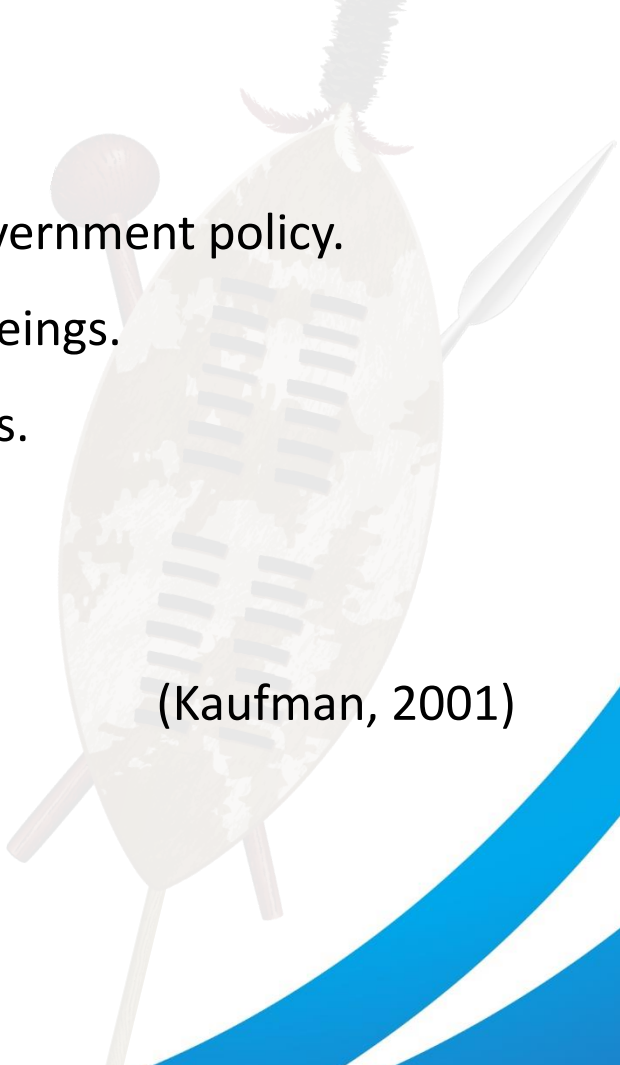
Focus of HRM and ER



HRM and ER: Commonalities

1. Focus on the world of work.
2. Gives attention to management, unions and government policy.
3. Recognises that labour is embodied in human beings.
4. Seeks positive-sum solutions to labour problems.
5. Are largely applied, multidisciplinary fields.
6. Both have normative “blind spots”.

(Kaufman, 2001)



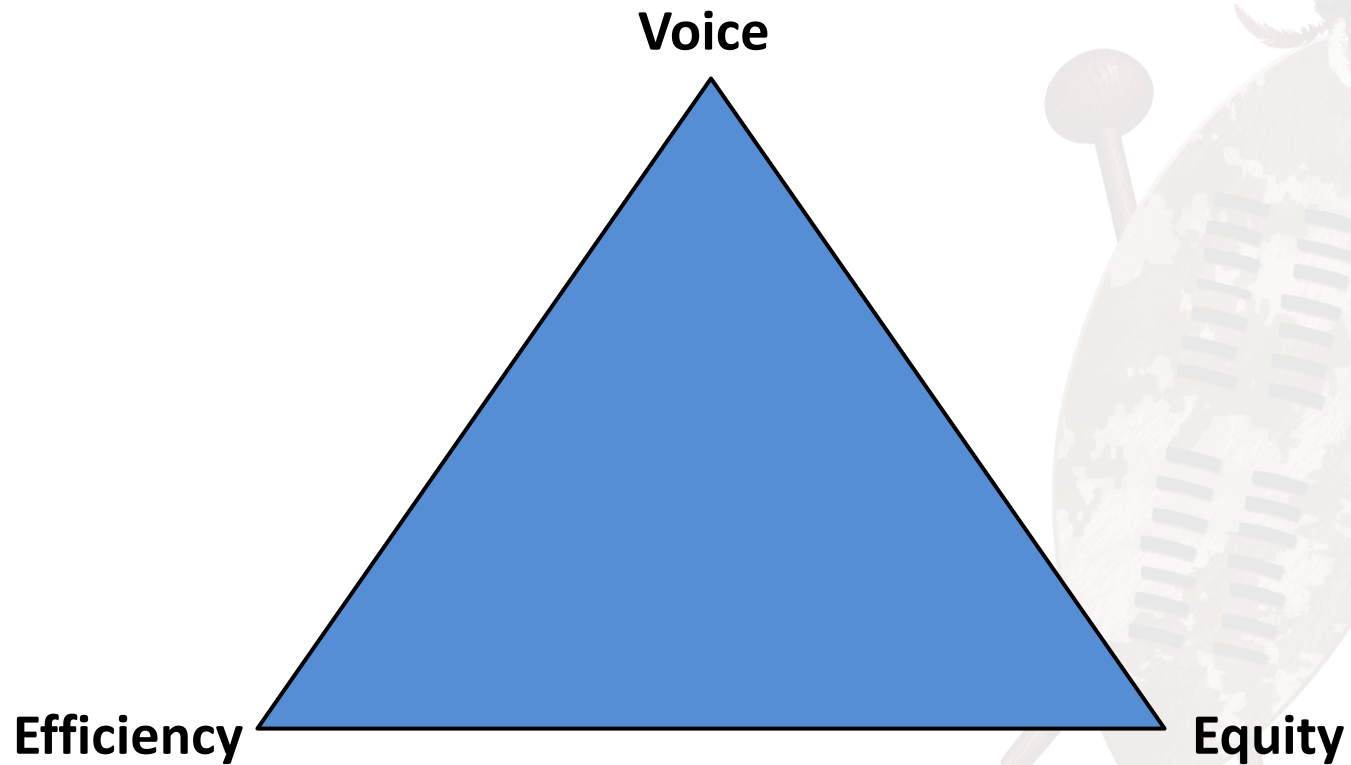
HRM and ER: Differences

Areas	HRM	ER
Focus	Employer solutions to employee issues	Workplace democracy
Employment relationship	Individualism	Collectivism
Conflict resolution	Management is both cause and solution	Reconciliation of interests
Role of actors	Role of management emphasised	Collective bargaining emphasised
Interests	Unity of interests	Conflict of interests

HRM and ER: Neither presents a complete picture



The objectives of the employment relationship



(Budd, 2004)

Complementary , not competing objectives

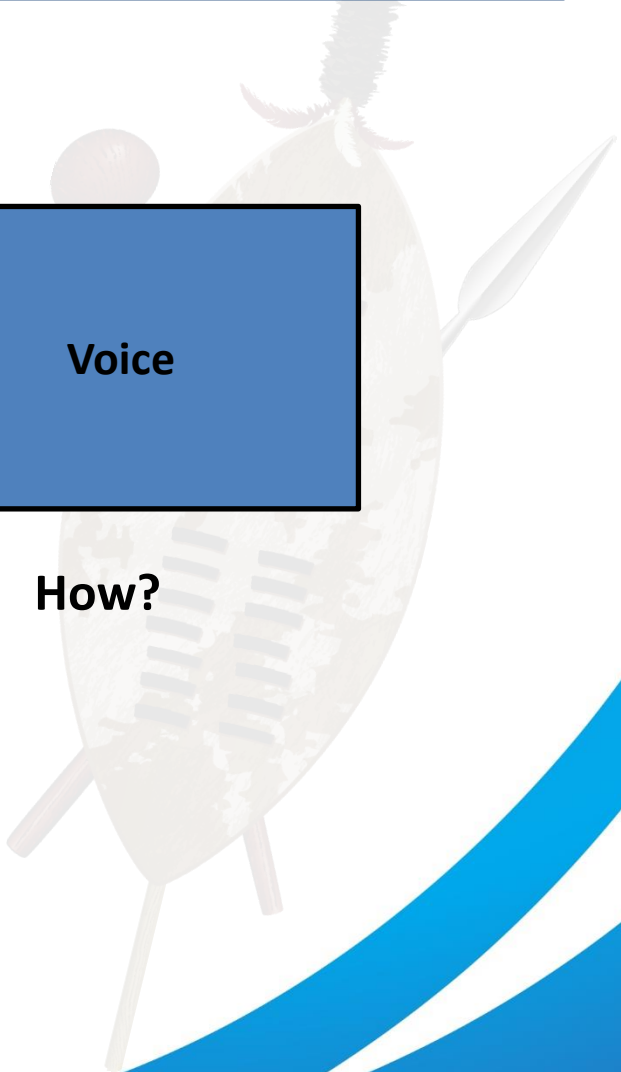
**Efficiency
Equity**

+

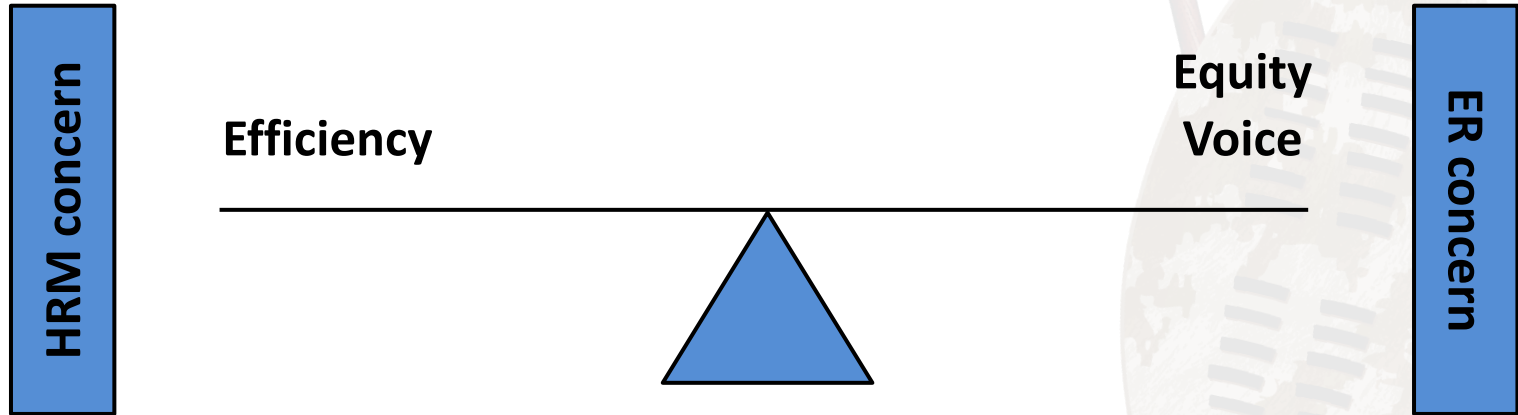
Voice

What?

How?



Complementary, not competing concerns



Synergising HRM and ER: what is required?

An appropriate management style

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EMPLOYEE DEVELOPMENT

PATERNALISM

FACTOR OF PRODUCTION

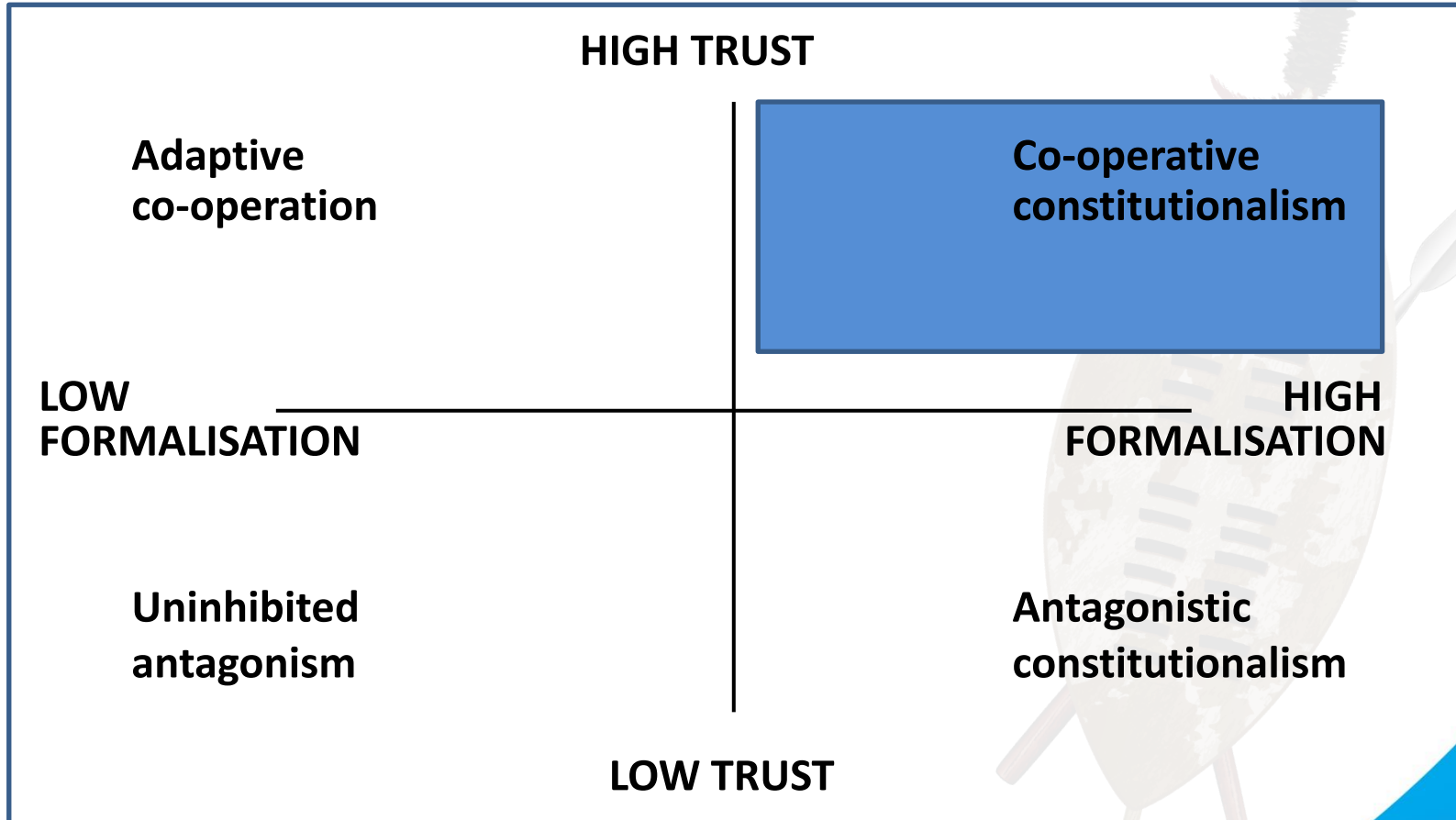
Sophisticated human relations		Sophisticated consultative
Paternalist	Bargained constitutional	Modern paternalist
Traditional		

NONE ADVERSARIAL CO-OPERATIVE

C O L L E C T I V I S M

(Purcell, 1987)

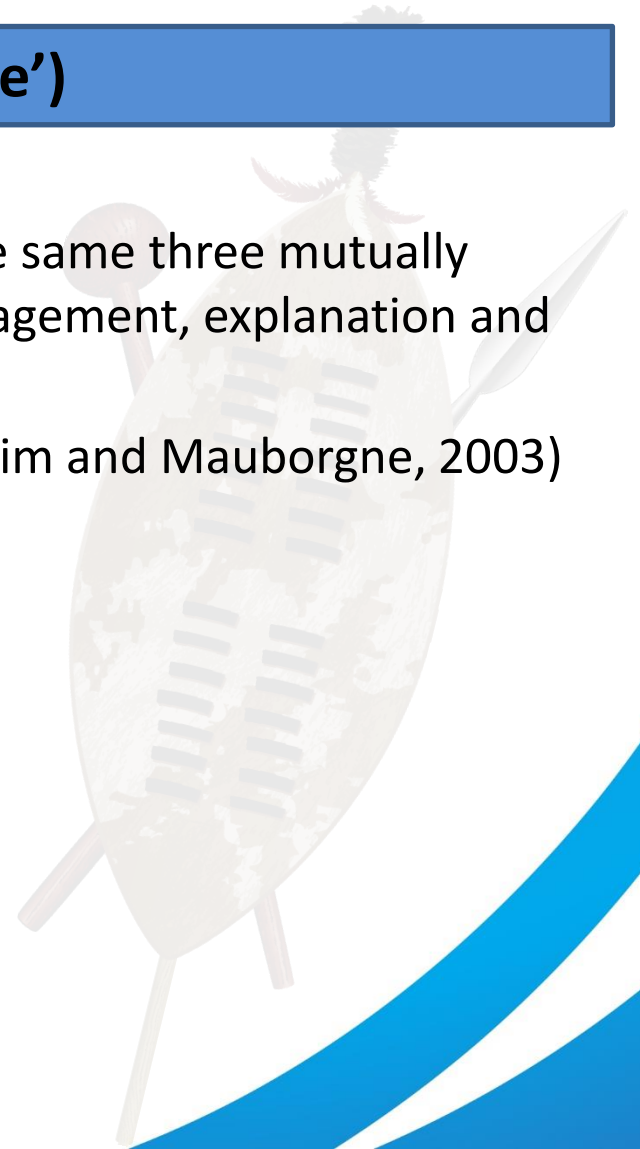
“Good” employment relations



Building trust through fair process ('voice')

“ . . . the bedrock elements of fair process . . . The same three mutually reinforcing principles consistently emerged: engagement, explanation and expectation clarity.”

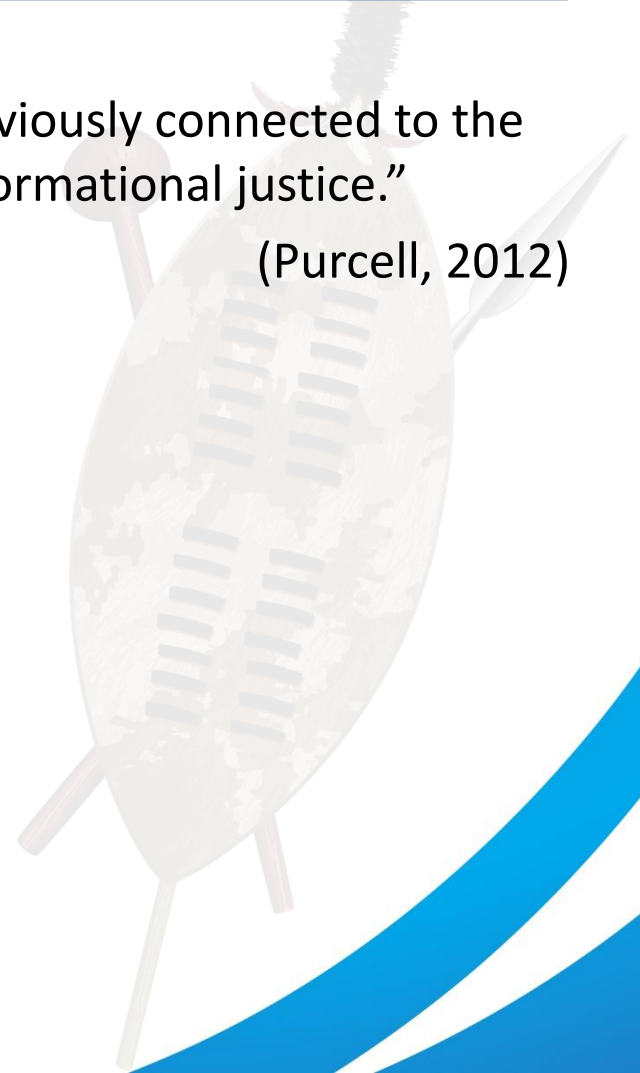
(Kim and Mauborgne, 2003)



Why give employees voice?

“Voice is this multifaceted activity which is most obviously connected to the generation of trust, fairness and procedural and informational justice.”

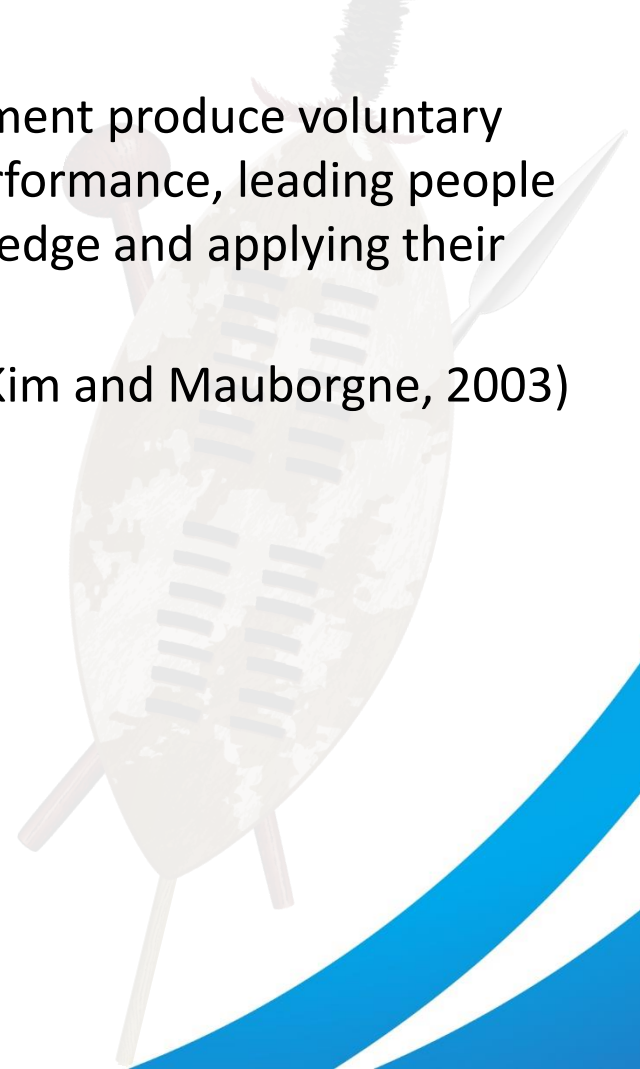
(Purcell, 2012)



The psychology of voice

“It builds trust and commitment, trust and commitment produce voluntary co-operation, and voluntary co-operation drives performance, leading people to go beyond the call of duty by sharing their knowledge and applying their creativity.”

(Kim and Mauborgne, 2003)



Implications

- ✓ Focus jointly on the individual and collective dimensions of the employment relationship
- ✓ Establish a culture of 'voice'
- ✓ Develop systems for it to be heard
- ✓ Encourage informational justice
- ✓ Implement substantive justice
- ✓ Invest in trust-building initiatives

