

STRATEGIC HR MANAGEMENT
INSTRUCTOR'S MANUAL

SHRM[®]

SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

Power and Influence in the Management
of Human Resource Development

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Section 1: Instructor Notes

OVERVIEW

There is a wealth of literature exploring power and influence in organizations. These cases examine the effect of these issues on the role and effectiveness of human resource development (HRD). The goal is to explore the reality of HRD in organizations and in doing so, highlight tensions that emerge when theory is applied to actual practice. The cases are based on interviews with one or two key people in each organization as part of a wider research project.

Each case scenario can be studied individually or as a series of linked cases. Alternatively, some could be used for classroom discussion and others as part of an assessment. The cases relate to the same theme, but identify different issues or tensions facing HRD. Factors affecting power and influence, such as formal authority, reputation, performance, and interpersonal influence, are explored. Students will discuss how HRD managers can overcome resistance and how they can influence behavior and outcomes in the organization. Instructor notes suggest areas for discussion rather than one right answer due to the complexity of these real situations.

Instructors can select discussion questions and activities depending on class objectives and learning styles of the students. The pre-case activities introduce students to the topic and stimulate discussion around the key themes. Post-case activities broaden understanding and enable a more detailed investigation of personal behavior in relation to the topic.

LEARNING OBJECTIVES

By the end of the case, students will:

- Understand power and influence in organizations as it relates to HRD.
- Identify the root cause(s) of issues in the cases.
- Consider how HRD and the HRD professional can use alternative strategies and actions to enhance their power and influence.

Audience

This research-based case is designed for final-year undergraduate and postgraduate students studying HR. The case will be challenging for undergraduate students, yet of moderate difficulty for postgraduate students.

Subjects covered

Human resource development, organizational behavior, management practice.

Keywords

Human resource development, power, influence, politics, tensions, conflicts of interest, management practice, HRD.

BACKGROUND AND RATIONALE

The ideal of an organization where everyone works toward a common goal features in much management rhetoric. The reality is often somewhat different. While teamwork may be extolled as an organizational virtue, the reality is that the workplace is as likely to be characterized by competition, conflict and antagonism as it is by cooperation (Fineman and Gabriel, 1998). It is in this context that an understanding of power and influence becomes critical. Every organization is composed of people with different tasks, careers and personal interests. To be successful in getting things done in organizations, it is important to understand the relative power and influence of the participants and understand patterns of interdependence. HR and HRD are no exceptions.

Many traditional HR and HRD programs have adopted, consciously or unconsciously, a functionalist or managerialist perspective. Managing has been taught as a technical activity. This has been challenged by the emergence of critical thinking (Golding and Currie, 2000 and Rigg, Stewart and Trehan, 2007). Critical HRD embraces organizational issues including power, politics, ideology and status—the “undiscussable issues” (Bierema and Cseh, 2003).

Pfeffer asks: “Power comes from being in the right place – but what is the right place?” Are the HRD professionals in these cases in the right place? If not, how are they trying to steer themselves and the HRD function into the right place? Key relationships in the case study organizations have a significant bearing on the level of support for HRD. Senior managers are resistant, and a lack of line management buy-in is also evident. Closely linked to the issue of support in the organization is the cultural fit of HRD. In Case B, a local charity has a strong counselling culture and a strong people orientation, treating everyone as individuals. As a result, there is reluctance to adopt generic HR policies and procedures—which has hampered any strategic approach to HRD. Gender politics are at work in Case C; students may empathize with the main player, Karen, as she despairs that not only is her organization run by accountants, but they are all men!

How do HRD professionals prevail in the face of these problems and tensions? HR textbooks talk about HRM and HRD driving change, but in this case study, the reality seems to be more a case of pursuing an opportunistic process—taking small steps and constantly chipping away at the barriers. This is not to say the HRD managers in these cases lack a strategy for where they could make an impact and begin to change perceptions; some tried to identify allegiances and power sources to get the support from upper management.

An outcome of the relative power and influence of HRD is likely to be who gets training (see, for example, Keep, 2000, 2005). This is featured in all the cases but is most evident in the last case. In this case, the perspective of power and influence of

HRD is explored in a broader, societal context. It raises challenging questions about access to learning on behalf of employees who are regarded as relatively powerless.

All the scenarios are research-based, drawing on in-depth interviews with key players in the organizations. Our intention was to identify and research organizations that illustrate the tensions, ambiguities, and complexities in the management of HRD power and influence. The cases address the reality of the positioning and status of the HRD function and HRD professionals.

The cases do not offer neat solutions. Rather, they are written as we found them and depend on the voice of the key respondent. They provide the raw material for an engaging discussion on real practice. Discussion questions follow each case to allow students to reflect on issues of functional contribution, change and capability, and to consider strategies and tactics to develop HRD influence.

RECOMMENDED PRE-READING

It is suggested that students undertake some background reading before reviewing the cases.

Ferris, G., Perrewé, P., Anthony, W., & Gilmore, D. (2000). Political Skill at Work. *Organization Dynamics*, 28(4) 25-37.

French, J., & Raven, B. (1959). *The basis of social power*, Studies in social power.

George, J., & Jones, G. (2005) *Understanding and Managing Organizational Behavior*, 4th ed. Harlow. International Edition Pearson/Prentice-Hall.

Lewis, D. (2002). *The place of organizational politics in strategic change* Strategic Change, Volume 11, Issue 1 (p 25-34), Wiley.

Luthans, F. (2007). *Organizational Behavior*, 11th ed. Maidenhead: McGraw-Hill.

Martin, J., (2005) *Organizational Behavior and Management*, 3rd ed., Chapter 17. Thomson.

Pfeffer, J. (2007). *What Were They Thinking: Unconventional Wisdom About Management*. Boston, MA: Harvard Business School Press.

Pfeffer, J. (1992). *Managing with Power: Politics and Influence in Organizations*. Boston, MA: Harvard Business School Press.

Raven, B.H. (1992). A Power/Interaction Model of Interpersonal Influence: French and Raven Thirty Years Later, *Journal of Social Behavior and Personality*.

Schermerhorn, J., Hunt, J.G., & Osborn, R.N. (2005). *Organizational Behavior*, 9th ed. Chapter 12. John Wiley & Son Inc.

STUDENT PRE-CASE ACTIVITIES

These cases could be supplemented by a presentation about theories of power and influence. Power base typologies (see French and Raven, 1959) could be used as a framework to analyze the cases.

There are a number of assessments on power and influence in the organizational behavior literature that could be used to get students thinking about their own behavior in relation to these concepts. For example, in Schermerhorn, et al (2005):

- Assessment 15, Personal Power Profile, considers preferences for influencing others based on five dimensions of power: reward, coercive, legitimate, referent and expert power.
- Assessment 14, “Machiavellianism”, assesses power orientation based on the Christie and Geis Mach scale.

Ask students to explore the following questions, either as a class or independently:

- Think of a time in your life or career where the lack of power and influence affected your ability to do your job. Identify three ways you could have tried to improve the situation.
- Pfeffer (1992) suggests that power in the organization is needed if a manager is to gain influence and advance their department, function, professional capabilities, significance (to the organization), personal standing, wealth and career. Ask students to think about this statement in relation to the HRD department in their organization. What sources of power does the HRD department have? How can they gain greater influence?

FOLLOW-UP ACTIVITIES

Each case includes optional extension activities. These activities are based on issues raised in the case and encourage students to broaden their reading and link to related themes and issues.

After analyzing the cases, students could be asked to identify issues in their own jobs where they could enhance their levels of power and influence. This could include building effective relationships or networks; addressing conflict areas; identifying sources of support; and finding opportunities to demonstrate value and build reputation. A learning log or reflective journal could be used to monitor progress.

CASE STUDY DISCUSSION NOTES

These notes should be used to help the instructor facilitate discussion and analysis on the issues highlighted in the cases. They include suggestions for feedback, but are not definitive solutions. The questions posed often raise further questions, and this might be the best way to get students thinking carefully about the points of the cases.

Section 2: Instructor Notes for Cases

CASE A. WORKING AGAINST THE ODDS: MANAGING HRD IN A LICENSED BETTING COMPANY

RECOMMENDED PRE-READING

The following article is recommended for this case in addition to the general recommendations listed above.

Stewart, J., & Harris, L. (2003). HRD and HRM: An Uneasy Relationship. *People Management*, 9, 19.

DISCUSSION QUESTIONS AND POSSIBLE RESPONSES

1. The HRD manager reports to the HR manager. How does this reporting structure affect the HRD manager's power and influence? How does it affect the power and influence of HRD in the organization as a whole?
 - Unless the HR manager has a strong focus on training, this shows a lack of formal authority for training because it lacks boardroom presence.
 - Without HR support, it is difficult to take a strategic approach to HRD.
 - There may be conflicting priorities which affect the power and influence of training, such as the allotted workspace and distribution of resources.
2. How does the change in the line managers' responsibilities for training affect the HRD team's power and influence?
 - Working with line managers may increase influence of training; it gives the training manager greater access to line managers and a chance to promote the value of HRD.
 - Successful partnership enables a more strategic approach.
 - Line manager involvement ensures that HRD becomes embedded into day-to-day work.
 - There is a potential danger that training "owned" by line managers will not receive sufficient focus.

3. The HRD manager describes the problems she has encountered with the HR team as “friendly fire”. What does she mean by this? In her position, how would you overcome these barriers?
- This relates to the problematic relationship with the HR team as described in the case. The HRD manager describes it as friendly fire because she expected to get support rather than resistance from HR.
 - This question relates to the first question about positional power, but also raises issues about personal influence.
 - The coaching situation described in the case shows a lack of power. The HRD manager wanted to reorganize the workload to enable a change of approach, but the HR manager saw this as an opportunity to utilize staff elsewhere on the HR team.
 - Students can identify ways that the HRD manager could overcome the barriers by improving her relationship with HR directly, as well as enhance her power and influence indirectly by raising her profile in the organization.
4. “Position power can be enhanced when managers are able to demonstrate to others that their work units are highly relevant to organizational goals and are able to respond to urgent organizational needs.” (Schermerhorn et al, 2005.) How is the HRD manager trying to enhance her position power? What other ways can this be done?
- Taking a consultancy approach to training and working with line managers.
 - Developing a clearer strategy for the HRD team.
 - Other strategies could include identifying champions for HRD from the HR and senior management teams; building the HRD’s reputation in the organization; demonstrating results and value added.

EXTENSION TASK

Lufthans, Pfeffer, and Schermerhorn (see recommended pre-reading) identify different types of power. What types of power can you identify in the case? How can the HRD team use these to their advantage? Consider expert power, referent power and reward power.

- Legitimate power resides with the HR manager—this is seen in the allocation of budgets and resources.
- Expert power provides an opportunity for the HRD team to assist line managers through their knowledge, skill and expertise—thus raising their level of influence.
- Referent power may be built by developing strong personal relationships in the organization.
- There may be opportunities to develop reward power through the accreditation of training for employees. In this type of environment where salaries are low and competition for staff is high, offering other kinds of rewards such as development or qualifications may improve recruitment and retention.

CASE B. VOLUNTARY HRD: RAISING THE PROFILE OF HRD IN A VOLUNTARY SECTOR ORGANIZATION

RECOMMENDED PRE-READING

It is recommended that students read the following periodicals before reading this case. (This is in addition to the general recommended pre-reading.)

Armstrong, M. (1992, Dec.). A Charitable Approach to Personnel. *Personnel Management*.

Cunningham, I. (1999). Human Resource Management in the Voluntary Sector: Challenges and Opportunities. *Public Money and Management*, 19(2).

Kellock Hay, G., et al. (2001). Change, HRM and the Voluntary Sector, *Employee Relations*, 23, 3.

BACKGROUND INFORMATION ABOUT THE VOLUNTARY SECTOR IN THE U.K.

The U.K. voluntary sector provides a challenging and distinctive context for HRD that is underrepresented in the research. This case raises issues about the role of HRD in the setting of a small charity. The shaded area below provides background about the voluntary sector that instructors may use as a handout or to brief students.

THE VOLUNTARY SECTOR

The U.K. Labour Force Survey (LFS) estimates that there are 611,000 paid employees in the sector, accounting for 2.2 percent of the country's workforce. The voluntary sector has grown by nearly 80,000 employees (14.9 percent) since 2000 (Reichardt et al., 2007).

Some management issues are common across all types of organizations, whether they are in the public, private or voluntary sector. Some research suggests that HRM in the voluntary sector is similar to the public sector because of the lack of a profit motive and because of a greater commitment by employees to the organization's goals (Parry et al., 2005).

A Mixed Workforce

One characteristic of the sector is the numbers of volunteers working with paid workers. The majority of voluntary sector organizations rely on volunteers. A 2006 Citizenship Survey estimates that 11.6 million people volunteer at least once a month in England. This has a fundamental effect on the nature of management. In terms of HRD, surveys show a mixed approach, with some organizations concentrating their efforts solely on paid employees. Trustees of voluntary organizations are also volunteers, which further complicates workforce dynamics.

Culture

This sector has a distinctive culture because of the participative form of decision making and the values linked to the organization's mission (Cunningham, 2001).

If employees chose to work in these organizations because they believe its mission, intrinsic motivation may be more of a driver than extrinsic rewards. This affects the employee's psychological contract, and the normal exchange process of employment is fundamentally altered. A unitarist management style where everyone works as a team to achieve a common goal is a corollary of this.

Stakeholder Complexity

The existence of multiple stakeholders as a dominant characteristic of this sector and stakeholder ambiguity is a distinguishing feature (Willis and Glennerster, 1998). In an organization with a profit motive, a clear exchange process is often evident. Good performance is linked to pay increases, and organizational objectives are achieved through a range of financial incentives. Employees in these for-profit industries have a clear understanding of the traditional management relationship and are accountable to the shareholders/owners of the business. In voluntary organizations, accountability is often to a number of different groups. This may make it difficult to develop a coherent strategy.

Management Processes

Volunteer sector organizations have unique characteristics that complicate the management process (Kellock-Hay et al., 2001). Issues like resource scarcity and diverse stakeholder objectives affect HRD processes in these organizations.

Complex decision making and the management by committees can make decision making a long and complex process. The highly individualistic characteristics and the value-led nature influences the way people are managed (Armstrong, 1992). This provides a wide diversity of approaches. The management roles held by trustees also present something of a dichotomy. Managers are employed by the trustees, but have an interest in ensuring their development of appropriate knowledge and skills. Volunteers, often difficult for organizations to recruit, may have real HRD issues.

Resources

These operations are lean in terms of overhead. Budgets are tight and spending must be clearly justified. Although employee costs can total up to 70 percent of a voluntary organization's budget, people management has traditionally taken a back seat to more pressing concerns of fundraising and delivery (Zacharias, 2003). The range of financial sources also tends to be greater than in other sectors, and funding streams may be irregular and unpredictable, making long-term planning difficult (Armstrong, quoted in Parry et al.).

CHALLENGES FOR HRD IN THE VOLUNTARY SECTOR

These distinctive features create a challenge for HRD. In their investigation of change management in the voluntary sector, Kellock-Hay et al. (2001) identified the lack of time and resources for training as a barrier to change. Parry et al. (2005) found that finding money for training can be problematic in the voluntary sector because it cannot be budgeted for in-service contracts. Timescales for payback of HRD may be an issue linked to the nature of funding. If contracts are short-

term, investment in long-term HRD initiatives may be difficult to justify. Another consequence of budget constraints is that training is often supply-driven rather than demand-led. Organizations offer training when grants or subsidies are offered. This opportunistic approach to training makes a strategic approach difficult to achieve.

Research shows that more than two-thirds of small- and medium-sized voluntary sector organizations do not have a dedicated HR specialist (Cunningham and Newsome, 2003). A strong commitment by trustees and managers for HRD may overcome this lack of specialist skills, but some organizations do not recognize the value of HRD. As a result, HR and HRD needs of these employees are not met.

DISCUSSION QUESTIONS AND POSSIBLE RESPONSES

1. The organization uses the term “personnel officer”. What does this say about HR’s status in the organization? Is formal status a requirement for power and influence?
 - HR textbooks document the transition from personnel to human resource management. The use of “personnel” implies an outdated view of the function, suggesting a lower status, less strategic involvement and a more reactive and procedurally driven role, as evidenced in the case.
 - Formal status is not a requirement for power and influence. Ask students to reflect on the difference between positional power and influence and personal power and influence.
 - Power is still very much concentrated with the chief executive in this case. The personnel officer’s relationship with the chief executive is difficult, and it is perhaps this lack of personal rather than positional power that has the greatest effect.
 - It is also appropriate to note that an approach based on positional power is unlikely to be effective. Any notion, for example, that HR insists that employees have two days of off-job training per year is unlikely to be effective in this case. Line managers must be convinced that the time their staff spend training will have a demonstrable effect on job performance.
2. What significance does the new senior director have for HRD? How could the personnel officer use this new hire to enhance her power and influence?
 - The new senior director has more personal and positional power than the personnel officer. He therefore raises the status of HRD issues. His previous experience in a successful training environment brings new ideas and helps demonstrate the value of HRD to the organization’s objectives.

3. Consider the following quote from the new senior director:

The culture is very person-centered – everyone is an individual.... I think that does make it very messy – and it is about the compromise between recognizing that yes, we are going to treat all our managers individually, but have some core standards that we expect them to reach.

a. Summarize the challenges and opportunities this culture presents for HRD.

- HRD must develop an appropriate strategy for this culture. It would be inappropriate to develop a highly structured or prescriptive approach to HRD. Key challenges are getting buy-in from managers and ensuring that an individual approach does not negate a coherent strategy.
- Opportunities: It could be argued that the high level of commitment and the person-centered approach offer real opportunities for HRD, such as knowledge sharing, professional development, action learning and learning networks.

b. How appropriate are the steps for promoting the HRD agenda (outlined in the case) in this culture?

- The personnel officer outlines a step-by-step approach to demonstrate the value of HRD and gain buy-in from managers. The requirement to justify requests for training is in line with business objectives, and to evaluate the effectiveness of training integrates HRD with the business strategy. However, it could be argued that the approach is still procedurally driven, which may perpetuate the perception of “personnel” in the organization. A strategy to change the learning climate of the organization may be more appropriate in this culture.

c. Suggest strategies to establish power and influence for HRD.

- Although time-consuming, it is important for HRD to work with senior and line management. In other words, get to know them; talk with them about the tensions and issues they face on a regular basis. Only in this way can HR and HRD provide suggestions that will actually help.
- Demonstrate the value of HRD. Have the personnel officer promote evidence of successes. It is often difficult to evaluate the bottom-line benefits of HRD; they rarely offer quick returns. The new senior director and the personnel officer should work at appropriately justifying how HRD can help the business address some of its challenges.
- There may be opportunities to develop reward power through the accreditation of training for employees. In this type of environment where salaries are low, offering other kinds of rewards—such as formal education, certifications or degrees—may help to improve recruitment and retention.

EXTENSION TASKS

Consider the power bases that are most evident in volunteer organizations. How does this differ from private sector institutions, and how do those differences affect the character and influence of HRD in these types of organizations? Are the tactics HRD professionals use different? If so, why?

A model (such as French and Raven, 1959) could be used to analyze the different power and influence types in these settings. In terms of the effect of HRD in voluntary organizations, ask students to look at the distinctive qualities of the sector that facilitate a learning culture. Beattie (2006), for example, claims there is greater evidence of caring behavior in the voluntary sector, suggesting that organizations with person-centered values foster more receptive learning climates. Studies of knowledge management projects show how vital cultural and social relations are. Consequently, high levels of staff engagement could indicate a commitment to continuous learning. Diverse working relationships may present opportunities for staff development. In private organizations, individual performance is often rewarded despite attempts to encourage teamwork. Where workers share a common goal linked to strong personal values, the approach to good performance is less likely to be individualistic. Collaboration in working practices, therefore, could lead to greater knowledge sharing and idea creation. Empowerment and commitment levels could indicate that self-directed learning is appropriate for trustees and other volunteer roles.

Partnerships with public and private organizations provide opportunities for learning networks and communities of practice. Public sector organizations in the same domain (like housing or child services) have similar goals that could encourage collaborative work. Local charities are often affiliated with a national charity and could share best practices and exchange lessons learned.

Accreditation of courses is an effective enhancement to organizations that do not have the budget to offer competitive benefits. People often volunteer their time because they have been out of the workforce for a variety of reasons and the work experience volunteering offers may be a path to paid employment. This can be enhanced through training and qualifications. HRD opportunities for employees may also be attractive as part of an employment package that cannot compete with salaries of the private sector. Courtney (1994) states that voluntary organizations are a major employer of both paid and unpaid people with low academic attainment, and suggests the development of national vocational qualifications (NVQs) could provide recognition of their skills and experience. It could be argued, therefore, that HRD has a particular focus in this sector. Similarly, the importance of workplace learning rather than a reliance on formal training may be a key feature for organizations without the budget for expensive training courses.

Despite the potential barriers and constraints for HRD in the voluntary sector, there is considerable evidence of good practice. From the suggested reading or by searching the Internet, identify three examples.

Students should be able to find information about positive initiatives in charities. For example, Clutterbuck and Dearlove (1996) cite the Royal National Institute for the Blind, which offers a comprehensive training program for managers that includes the option of earning a Certificate of Management Studies. Zacharias (2003) highlights a homeless charity in London called Broadway that overcame recruitment difficulties by developing an intensive program of core skills and on-the-job training. Hill and Stewart (2000) identify a range of good practices in a youth and community work charity, where the very nature of the charity and its strong people-focus has a positive effect on HRD.

CASE C. ACCOUNTANTS AT THE WHEEL: RAISING THE PROFILE OF HRD IN AN AUTOMOBILE DEALERSHIP

RECOMMENDED PRE-READING

Students should review the following in addition to the general recommendations above before reading this case.

Hanscome, L., and Cervero, R. (2003). The Impact of Gendered Power Relations in HRD. *Human Resource Development International*, 6, 4.

Storey, J. (1994). *Understanding the Small Business Sector*. Thompson Publishing.

DISCUSSION QUESTIONS AND POSSIBLE RESPONSES

1. Karen, the HR manager, describes her three years with the company as “difficult”. She uses words like *struggle*, *battle* and *ally*. Summarize the factors that have created this perception in terms of her power and influence in the organization.
 - The vision of strategic HRD is not shared by upper management. Karen feels that HRD is seen as a necessary evil; something that is necessary to avoid expensive and damaging lawsuits, but not one that can make a real difference to the business’s goals. It could be argued that the company has the problems of a large company but lacks the distribution of power to effectively manage such problems. Family-controlled businesses often reflect the particular personality and style of its key figures. However, the company’s growth has made managing complex, so the unique management style that was successful when the company was smaller may no longer fit with the company today.
 - Development of the HR/HRD function has been inconsistent. Even during Karen’s tenure, the problems with the training officer may well have damaged the credibility of the function.
 - Change takes time. Ways of working and associated values and beliefs are not transformed overnight. Consider the extract below describing a senior HRD manager’s experience of trying to introduce a management development initiative into a large, well-established utility company:

I had to gain the acceptance of various players in the company. It was a major challenge, and it took me a whole year even to get basic agreement. During the process of negotiating acceptance I learned a lot about culture and power in the organization. The idea had to be sold. I had to discover the potential bases and the different degrees of acceptance. I was surprised to discover that no one really even started out with the notion that management development was necessary. That assumption could not be relied on. Top management often argued, “We have other things to do and we need to earn money ... maybe later.”

(Storey and Bungartz, 2005.)

- Karen may lack power and influence because of her gender.
2. How can Karen develop a more strategic presence for HR and HRD, particularly now that her ally on the board is about to retire?
- Power is still concentrated with the chairman and chief executive. The finance director—himself an outsider—has nurtured the trust of the chairman over the years. He has power and influence. The case tells us little about the relationship between Karen and the chairman and his son. She needs to develop a stronger presence with the chief executive. She is losing her champion on the board. It is unrealistic to expect the chief executive to step immediately into this role, but perhaps over time it might be possible.
 - Karen should clearly demonstrate successes. HRD initiatives are notoriously difficult to evaluate in terms of bottom-line benefits; they rarely offer a quick return. Karen must justify how HRD can help the business address some of its challenges. For example, at the time of the interview, it was feared the U.K. was slipping into an economic recession. The automobile trade was already feeling the effects of a credit crunch. What can HRD offer here? How can it help cope with and emerge from any significant downturn in trade? How can employees be better and smarter than their competitors?
 - The finance director suggested that Karen move into his office when he leaves. This is next door to the chief executive. Doing so might facilitate better communication (in part informal) between the two.
3. Karen has had some success with the managers. What sort of style and approach should Karen use with the managers? Reflect on the differences between positional power and influence and personal power and influence.
- Karen and her colleagues must work closely with senior line managers. In other words get to know them; talk with them about the issues, difficulties and tensions they face on a regular basis. Only then can HR and HRD provide input that will actually help.
 - An appropriate style is unlikely to be deferential but more of what Reg Revans, founder of Action Learning, referred to as “comrades in adversity”. Another way to see such a relationship is to consider HR and HRD as a business partner. Partnership implies a degree of equality, but with different contributions to make toward business goals.
 - An approach based on positional power is unlikely to be effective. The notion, for example, that HR insists that all employees have two days of off-job training a year is likely to go over like a lead balloon. Line managers must be convinced that time their employees spend training will have a demonstrable effect on work performance.

4. Karen is the only woman in a male-dominated senior management team. How does this affect her power and influence?
 - The automobile trade in the U.K. is male-dominated. This company is no exception. Women who work in male-dominated cultures often complain of not being taken seriously, being talked over, and feeling uncomfortable with an aggressive management style.
 - In many sectors in the U.K., HR and HRD still struggle to shrug off the legacy of being the welfare function. If senior managers think that HR only “looks after people”, this may not sit comfortably with the hard realities of business decision-making.
 - HR in the U.K. is predominantly a female profession. This makes Karen’s task as a female HR manager in this company a particularly tough one.
 - A counterargument might be that as a woman, Karen is excellently placed to have influence in the company. Some believe that women have particularly strong persuasive skills.
5. Review the job advertisement for a new HR advisor. Is it appropriate to orient the new employee into the characteristics of power and influence in relation to the HR function in the business? How could this be achieved? Is it appropriate to have the new employee spend most of their first six months working in an HR call center?
 - There is no single solution to this. On one hand, successful orientation provides an effective socialization into a new organization. To ignore or sidestep issues about power and influence would deny the new employee essential information they may need to make sense of the organization. On the other hand, it is not something that can be easily documented in the company handbook or covered in a new hire PowerPoint presentation.
 - Orientation should stretch over several weeks, even months; it should not be over and done with in the first week. A mentor—perhaps someone outside of the HR function—might help the new employee come to terms with the characteristics of the business and how to think about their own role and positioning.
 - Being confined to an HR call center role may constrain the new employee from getting out and meeting key people. As we noted before, solid professional relationships are needed with line management. These take time to build. A balanced first six months in terms of time spent at headquarters and time spent in the dealerships may be a more valuable and developmental time with the company.

EXTENSION TASKS

- 1. Family-controlled businesses are often smaller in size than the company featured in this case. Often, they have no dedicated HR function, much like this company before 1998. Consider the implications of managing HRD in a small business. What are the difficulties? What are the advantages?**
 - There is a lot of research that discusses the differences between managing in a small business versus a large firm. Storey's *Understanding the Small Business Sector* is an excellent place to start.
 - For HRD, it is generally accepted that it is a mistake to apply large-firm solutions to a small firm. It would be interesting to explore how Karen used her previous experience with large corporate organizations in her new role in this family-run business.
 - Some researchers (e.g., Hendry, Arthur and Jones, 1995; Harrison, 2005) argue that small businesses show a greater propensity to be learning organizations by virtue of their size and may find it easier to harness individual and team learning and translate it into organizational learning. In fact, the flow of recommended good practice may increasingly be from the small to the large firm. In other words, capitalize on informal workplace learning—learning that is realistic, relevant, and easily transferable.
- 2. In the U.K., women hold the majority of junior- and middle-management positions in HR and HRD. Paradoxically, though, HR directors are invariably male. Is a similar situation evident in the sector in which you work? What about women in management in general?**
 - More than 70 percent of members in the U.K.'s Chartered Institute of Personnel and Development are women. Explanations for this vary. Some see the welfare tradition of personnel management as an important legacy. Others surmise that key HR skills are the ability to empathize, relate and utilize emotional intelligence, and that these skills are more often found in women.
 - The glass ceiling is often used to explain women's relative disadvantage in management. Consider the factors that supposedly account for the existence of the glass ceiling in relation to the difficulties and problems Karen feels she has in developing positional and personal power and influence in this case.

CASE D. BREAKING THE LOW-SKILL CYCLE: A ROLE FOR HRD?

BACKGROUND NOTES

This case continues the exploration of power and influence for HRD but considers it in a wider societal context. The scenario describes a study by a large university investigating the training needs of lunch supervisors in U.K. primary schools (for children aged 5-11 years). These workers are unskilled and have limited access to HRD. The case presents an interesting organizational problem. Additionally, though, it introduces students to a wider debate about HRD—one that goes beyond organizational borders, raising questions about the social, political and ethical issues reflected in the scenario.

This case gives students the chance to enter into a wider discussion about critical HRD. Critical HRD challenges traditional understanding and practice by questioning assumptions, identifying inequalities of power and addressing the role of HRD practitioners in developing a workplace characterized by justice and democracy, not inequality or exploitation. Reynolds argues that “the function of management education should not be to help managers fit unquestioningly into the roles traditionally expected of them, but to assist them in engaging with the social and moral issues inherent in existing management practice.” This case not only presents an organizational HRD problem, but also raises issues about inequalities in access to HRD in the wider labor market. In other words, it addresses issues of power and practices that perpetuate existing imbalances, “the experience of work to wider social, political and cultural processes.” (Reynolds, 1998.)

The following articles provide a useful introduction to critical HRD and could be read either before exploring the case or as follow-up.

Valentin, C. (2006). Researching Human Resource Development: Emergence of a Critical Approach to HRD Enquiry. *International Journal of Training and Development*, Blackwell Synergy.

Fenwick, T.J. (2004). Toward a Critical HRD in Theory and Practice. *Adult Education Quarterly*, 54, 3, 193-209.

DISCUSSION QUESTIONS AND POSSIBLE RESPONSES

1. What are some of the possible outcomes of a carefully designed training program to meet the needs of the lunch supervisors in terms of the distribution of power and influence in the school? Are there any hidden dangers (unanticipated consequences)?
 - An imaginatively designed program could enhance empowerment on behalf of the lunch supervisors. It could increase confidence and positive interactions when engaging with pupils and improve handling of problem situations. Their influence in the overall school would be raised from that of a holding operation until lessons re-commence to one of genuine impact. Carefully managed and integrated with the rest of the school day, this empowered role should improve school performance.
 - Tensions could arise about accountability. Even with enhanced skills, lunch supervisors are not teachers. Some teachers may believe that they alone have the authority and expertise to appropriately manage student learning and address difficult behavior. Also, some pupils may seek to pit lunch supervisors against teachers.

It should also be noted that an empowered role for lunch supervisors may increase demand for greater recognition and rewards. There may be retention and recruitment problems not previously experienced.

2. There is some ambiguity as to where and with whom responsibility lies for the training and development of these employees.
 - a. How important is this in terms of access to HRD opportunities?
 - It is significant. Lack of clear guidelines and identified leaders could exacerbate a situation of powerlessness. Any system of HRD in which rights, responsibilities and procedures are vague and poorly communicated will favor those who are expert in “working the system”. These will likely be those who are already skilled learners.
 - b. Identify the political factors in this case that need to be effectively managed to improve the situation.
 - One political factor is the need to gain the commitment and engagement of the lunch supervisors. Many in this group may be reluctant learners who are nervous and uncomfortable with the prospect of formal training and believe that “training is not for them”. Being able to answer the “What’s in it for me” question will be critical for successful outcomes.
 - Another political factor is to ensure that there is an acceptance of the training and a perceived legitimacy from other key stakeholders—for example, teachers—and to ensure that the intervention does not create more problems than improvements.

3. Where should responsibility for HRD lie with regard to these employees?
 - There is a strong argument that this should lay with the principal or one of their deputies. A training officer or a manager at headquarters is unsatisfactory because of the lack of daily contact to understand the issues.
 - This scenario is typical in many organizations, where employee groups are subject to daily local management yet HR and HRD are the responsibility of a department located elsewhere. In recent years there has been much debate about the importance of delegating HR and HRD responsibilities to line management. This is sometimes easier said than done. In this case, are head teachers able to take on such a role in terms of capability and the demands on their time?
 - Some organizations are increasingly assigning responsibility for the training and development of a group of employees who are not their direct reports. This might include contract labor and may even extend to employees of key suppliers. This is evident in a number of organizations that have developed a corporate university (Nixon and Helms, 2002; Paton et al., 2005).

4. The case examines an initiative to address the training needs of a particular employee group. A stimulus for the initiative is the growing interest in the dietary health of our children. In the absence of such an external stimulus, how could this group and similar groups of low-skilled workers ensure a stronger voice in their organization and sustain it beyond the short term?
 - There are no easy answers to this question. Ultimately it may well be in the employer's interest to keep such groups disempowered, and thereby keep a low-cost resource that is relatively easy to manage and control.
 - There are examples of altruistic employers who have seen it as a social responsibility to offer education and training beyond basic and immediate organizational needs. The chocolate manufacturer Cadbury's, influenced by its Quaker origins, has a long tradition of offering education opportunities to its entire workforce. Such companies, however, are exceptions.
 - U.K. trade unions have taken on this issue in recent years, and discussion about access to workplace learning has become significant in some organizations. A national system of union learning representatives (ULRs) has been established (www.unionlearn.org.uk) to promote and provide fairer learning opportunities in the workplace. ULRs gives employees contact with someone:
 - They know and may have helped them in the past.
 - Who is independent from management and whose advice they can trust.
 - Who is familiar with the environment.
 - Who understands issues and concerns of non-traditional learners.

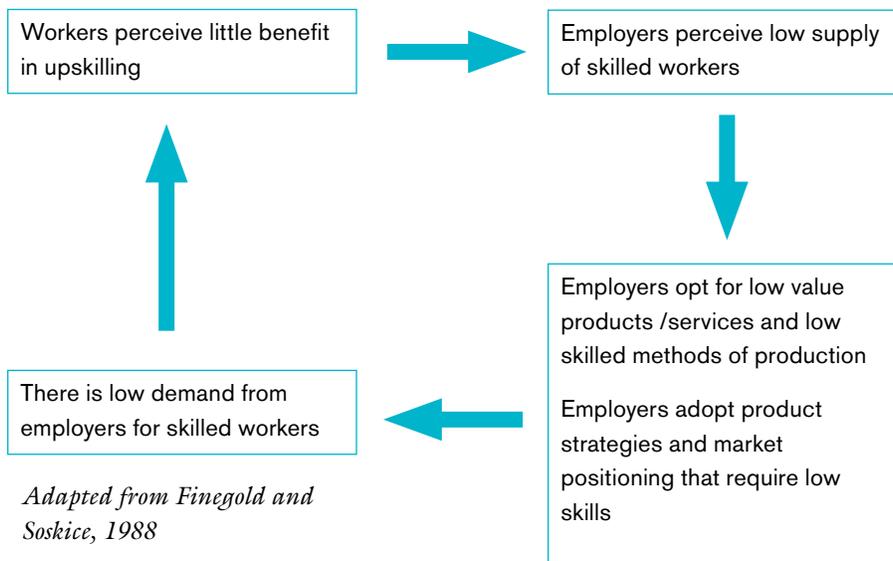
- The benefits of the ULR system are restricted to unionized organizations. Many small- and medium-sized organizations are not unionized, so it is left to individual or small employee groups to champion their own learning interests and demands. As illustrated in the case of the lunch supervisors, the status quo is unlikely to be challenged without external pressure or change.

EXTENSION TASKS

1. Identify other employee groups trapped in low-skill cycles. Consider different economic sectors. Is it more likely to be a problem in some sectors than others?

- Data from the U.K. Trade Union Congress (TUC, 2005) suggests that the groups least likely to be offered training are in administration, skilled trades, operative and manual occupations. Keep (2000) argues that with the exception of a few organizations that are dependent on highly skilled individuals—such as artistic organizations, software companies and consultancies—the workforce skills “are not the starting point for competitive strategies”. Thus, large numbers of employees in manufacturing, retail, hospitality, health care and local government remain relatively low-skilled and with little prospect to improve their standing through the strategic HR and HRD efforts of their employers. Looking beyond occupations, certain classes are less likely to be offered training by their employers. This includes women, older workers, disabled workers, and employees from black and minority ethnic groups.

That some workers are trapped in a low-skill cycle has its origins in the notion of a “low skills equilibrium”: a vicious circle of low productivity and low supply of skilled workers (as illustrated in the figure below). Since the term was first coined in the late 1980s, the concept has been the object of debate and refinement. Although many of the early discussions were focused on the macro or societal level, it is best understood at micro or individual organization level. An organization makes strategic decisions about the specification of its product or service. There is a spectrum available, from low to high specification. A product or service becomes higher specification the more characteristics it possesses, the more ready its producer is to customize it for different consumers at any given point in time, and the more its characteristics change over time. The choice of specification dictates the production process and, other things being equal, the lower the specification, the lower the skill intensity of the production process – i.e., the lower the demand for skill. Producers of low-specification products/services will compete largely on price and therefore on unit labor costs. By contrast, producers of high-specification products will be less dependent on price competition.



- Government research (Wilson and Hogarth, 2003) provides evidence that in sectors such as food processing and hospitality, a relatively unsophisticated demand for skills and a poor supply of skills from education and training mutually reinforce one another.

2. The discussion raised in the case introduces wider social and political issues:

- a. A key factor in low-wage employment is the educational attainment level of the employee.
- b. Women are overrepresented in this type of low-paid role.
 - i. Should an organization be responsible for offering HRD opportunities to all its employees?
 - ii. Should HRD professionals engage in this debate, or should they focus on the effect of HRD on business goals?

- Lifelong learning is the source of much rhetoric in the U.K. and the E.U. The E.U.'s policy of lifelong learning states that "adult learning is a vital component of lifelong learning policies," but that "greater efforts are needed to ensure even more adults participate in learning activities throughout their lives."
- The principal argument underpinning the rhetoric is human capital: A well-educated and trained workforce contributes significantly to economic competitiveness. Similarly, the literature on learning organizations has often identified "learning for all" as a defining characteristic (e.g., Pedler, Burgoyne and Boydell, 1996).

- There is also debate about the idea of social capital. Social capital refers to the value social networks and relationships have in society. It has its roots in debate about democracy at work and the value of education in promoting and facilitating a democratic workplace. Robert Putnam's book *Bowling Alone* warned that our stock of social capital—"the very fabric of our connections with each other"—has renewed interest in how to build and sustain social structures and networks and strengthened the arguments about the value of HRD opportunities for all workgroups. The Organization for Economic Co-operation and Development argues that the social benefits of education and training are "possibly larger than the direct labour market and macroeconomic effects." However, the reality is that large swathes of the workforce are not provided broader learning opportunities of any sort by their employer. Although a handful of U.K. organizations have tried to emulate Ford's famous employee development assistance program (EDAP), most employers believe it is not an appropriate use of resources (Hamblett and Holden, 2000).
- Keep (2000) argues that decisions not to offer training to groups such as the lunch supervisors in this case are not the result of irrational behavior by employers but "a perfectly logical reflection of the skill needs of the vast mass of U.K. organizations." In the face of this, there is a greater pressure on governments to offer broader education and training. The U.K. recently announced that it wanted to explore the possibility of introducing a "right" to request time to train at work. One government agency said that all employees, wherever they work, have a right to access training and development during work—just as they have the right to paid holidays.
- A final set of questions involves the role and position of the HRD practitioner. Tensions have always characterized HRD practice. Should the focus be on developing the individual or the capacity of the organization's resources? Critical HRD adds a further complexity. Is the purpose of HRD restricted to producing more productive and efficient human resources? Is there a broader constituency and purpose than organizational success? Rigg et al. (2007) argue that HRD practitioners are often poorly prepared to consider questions of power and responsibility in organizations, and that this limits their ability to be agents for change in terms of inequality, justice and fairness in the workplace. Hatcher and Lee (2003) lay down a fundamental challenge to HRD:

How can a profession that espouses democratic ideals such as workplace empowerment, teamwork and the promise of ethical behavior support systems (defined here as organizations) that are undemocratic, even totalitarian; that view workers and society as mere resources or worse as objects of abuse?

Section 3: The Case Scenarios

CASE A. WORKING AGAINST THE ODDS: MANAGING HRD IN A LICENSED BETTING COMPANY

ABSTRACT

This case presents a snapshot of a real organization from the perspective of the HRD department, as told by the HRD manager and a training officer. It explores current issues facing HRD in the organization, demonstrating their complexity, and asks students to identify root causes of the problems and develop strategies to address them.

The organization in this case is a large, relatively new call center in the licensed betting industry. The case examines the transition from a traditional training environment to a more innovative and learning-centered approach. The transition has not been without its problems and is still not fully realized. The current HRD manager provides insight into the difficulties she has faced and how power and influence issues affect the HRD function. Interestingly, relationships within HR are a key source of tension, but the positioning and reputation of the function and relationships with senior managers also play a role.

The call center industry is one of the most rapidly growing areas of work globally, replacing traditional manufacturing as the major employer in many towns and cities. A 2006 IBM report—*Contact Centers in Europe—The Rise of the Machines*—estimated that 400,000 people (or 1.5 percent of the workforce) are employed in 5,000 contact centers across the U.K. Call centers have been described as the factories of the 21st century and present a continuous challenge for HRD. Employers face ongoing competition for workers, resulting in high employee turnover. The work is often low-skilled and low-paid, and employee loyalty is difficult to achieve.

This industry has attracted media interest recently because of liberalization of advertising standards, allowing the industry to advertise on television and obtain celebrity endorsements for online gambling. There are also proposals for the introduction of super casinos. It is a topical setting for the case.

The organization is a bookmaker, traditionally running licensed betting shops across the U.K. It recently moved into the telephone betting and online gambling business. The company is FTSE 100 (this index comprises the 100 most highly capitalized blue chip companies, representing approximately 81 percent of the U.K. market) and employs approximately 16,000 people across the U.K. There are two contact centers in large cities employing approximately 500 customer interface staff (employees who deal directly with customers, either on the phone or electronically). The locations have a high density of contact center work and there is a great deal of competition for staff. The work is low-paid and staff turnover is 80 percent annually. Recruitment and training is a constant.

The customer interface staff members require customer service skills and strong mathematical skills. A large proportion of the customers are phoning to place bets on horse races. The nature of work is somewhat different to the majority of contact centers because there are high peaks of activity before the start of each race, but then periods of inactivity. Employees are also required to work weekends and holidays, which is often unattractive to applicants. The senior management team has largely been homegrown in the business, progressing through the ranks but lacking external experience. This is mirrored in the HR team.

A year ago, the training department was dismantled with the intent to move training to customer-facing teams. Rather than a central team providing training support across the organization, each division would have a dedicated training team. This would create a business partner relationship, where the operational managers work closely with the training team who can better respond to their needs. Partnering makes HR accountable to the business and expects HR to add real value. This is a shift away from traditional HR functions where purpose, priorities and successes were defined in HR.

The contact center now has an HR and an HRD manager. An external HRD manager was brought in to help redefine relationships with operational business partners and to change training delivery.

Before the reorganization, training was a traditional, classroom-based delivery. High employee turnover meant there was a continuous demand for new employee training. Trainers were often people who had worked on the phones and then been moved into the training role, without any formal training or development themselves. They copied the existing training style; this was largely instructive and lacking dynamism. The new HRD manager reviewed the new employee training and redesigned it as a more participative model. This reduced the duration of formal delivery and introduced a coaching approach. A designated trainer at each location would coach the coaches from the department to support the new employees. This developed coaching skills in the department and ensured that the line managers would take ownership of staff development, rather than seeing it as the trainer's job.

The trainers responded well to the change. In the past, they had no clear leadership and insufficient role clarity. They had, therefore, reacted to training requests without a clear idea of where they were making a difference or control over the type of training they offered. In the new structure, they are more closely managed and have a clearer understanding of what is required of them.

The contact center managers also responded well to the change. They worked closely with the training team to improve their employees' skills. This new consultancy approach allowed them to discuss their requirements and understand where HRD could contribute to their department's success. One example of this is the coaching program: The managers agreed to loan people to the training team; the training team provided development in coaching skills to these people, who then returned to work able to undertake the role of coach. This partnership approach increased the skills of the operational teams and reduced the resource requirements of the training team. It also ensured a shared responsibility for staff development between the operational team and the HRD.

Despite the support from the contact center managers, this approach has not been mirrored at a senior level or in the HR team. The HRD manager faces regular battles to implement new ways of working. When the coaching program was implemented and trainers were freed with the intent to use those resources to offer a broader range of training services, HR reduced HRD's budget and allocated it to other HR areas. The HRD manager called the barriers she faced "friendly fire". She described a very cautious environment, where people were reluctant to support new ideas for fear of failure.

An additional frustration for the HRD manager is the lack of training facilities and the negative working environment. HRD staff members were expected to work quietly at a desk in an open-plan HR office. This created tensions with the rest of the HR team because the working requirements were different. The HR team needed a quiet and confidential area to work; the HRD team needs space to be creative and discuss or practice ideas in a more animated way. In addition, there are no training support materials for courses because no budget was allocated to this it. "We have a budget for sending people flowers if they are feeling poorly, but we do not have a budget to actually produce training materials!" laments the HRD manager.

DISCUSSION QUESTIONS

1. The HRD manager reports to the HR manager. How does this reporting structure affect the HRD manager's power and influence? How does it affect the power and influence of HRD in the organization as a whole?
2. How does the change in the line managers' responsibilities for training affect the HRD team's power and influence?
3. The HRD manager describes the problems she has encountered with the HR team as "friendly fire". What does she mean by this? In her position, how would you overcome these barriers?
4. "Position power can be enhanced when managers are able to demonstrate to others that their work units are highly relevant to organizational goals and are able to respond to urgent organizational needs." (Schermerhorn et al., 2005.) How is the HRD manager trying to enhance her position power? What other ways can this be done?

EXTENSION TASK

Lufthans, Pfeffer, and Schermerhorn (see recommended pre-reading) identify different types of power. What types of power can you identify in the case? How can the HRD team use these to their advantage? Consider expert power, referent power and reward power.

CASE B. VOLUNTARY HRD: RAISING THE PROFILE OF HRD IN A VOLUNTARY SECTOR ORGANIZATION

ABSTRACT

This case is based in a small charity in northern England as presented in interviews with the personnel officer and the new senior director. The organization has a distinctive culture with a strong counseling ethos. The case describes the attempts by the personnel officer to address HR's low status and lack of influence in the organization, and explores the barriers facing HRD and the external drivers stimulating change. Students are asked to consider how the power and influence of the HR function could be enhanced.

This case focuses on a small mental health charity affiliated with a national charity. It is managed independently but is bound by the principles of the national charity. The organization is based in a large U.K. city and serves the surrounding community, providing support for vulnerable adults with mental health issues. Assistance is offered in a number of areas, including housing, finance and education. The charity is well-known in the U.K. and is publicized in hospitals and clinics. There are approximately 60 paid employees and a similar number of volunteers. Care from the charity is based on self-referral.

A feature of the U.K. voluntary sector is the complexity of stakeholders for each organization. This is demonstrated in this case. Their stakeholders include clients, staff, the executive committee, local health care professionals, funders (both private and government bodies) and other partnership organizations (other charities and health care providers).

There has been no official HR presence in the charity. Twelve years ago, a new member of the administration team took an interest in personnel issues; she took a course at a local college, and her job gradually developed into that of a personnel officer. The job is heavily influenced by the role-holder and is very process and procedurally driven. As a result, HR is reactive, with a lot of fire-fighting. For example, there are competency issues with employees that go unaddressed by the management team and therefore escalate. HR does not get involved until employees call in sick (when they are not) or file a complaint. The issues are not addressed early enough because managers do not follow (or are not aware of) appropriate HR procedures.

HRD has been handled in a similar reactive manner. In principle, a new employee's manager should identify training requirements; but in practice, this varies from project to project. Beyond new employee training, employees have applied for training in whatever took their fancy. Consequently, a small number of employees who have shown an interest have participated in a lot of training, whether relevant or not—and other employees have not done any. The only training evaluation has been comment sheets completed at the end of the event.

There is little standardization across projects, so managers who engage well with the personnel officer see the value of training and supported the introduction of an appraisal process. Other managers have not responded well. Appraisals for their team have not been completed, but there are no sanctions for lack of compliance. The personnel officer has tried to raise the profile and importance of these issues, but without support at a senior level, it has been a struggle. “I am ineffective without senior management support. I mean, I can send emails, training flyers, whatever, until I am blue in the face ... I am ignored most of the time.”

Closely linked to the issue of support is the cultural fit of HRD. As is often the case in small businesses, the culture is dominated by the chief executive. In this organization, his orientation is clearly shown in the business development plan; the focus is on client service delivery, and out of nearly 40 action points in the plan only two are associated with staff. There is also a strong counseling culture in line with the services provided. This manifests itself in a strong people orientation, with emphasis on treating everyone as individuals. As a result, there is reluctance to adopt generic HR policies and procedures. This has hampered any strategic approach to HRD.

There have been three recent drivers for change that have opened the receptiveness of the need to develop an HRD strategy:

- A staff satisfaction survey showed that people thought they were not getting enough of the right sort of training.
- A new senior director was hired who previously worked in a larger social care charity with a strong training ethos.
- The government introduced a competitive tendering process for allocating funds to charity organizations. To obtain government funding, the charity must now provide evidence of staff skills, qualifications and experience as part of the selection criteria.

The personnel officer, with the support from the new senior director, is now trying to move the HRD agenda forward by:

- Identifying training needs based on performance appraisals.
- Developing a core training program for all staff with a focus on individual development.
- Requiring justification for the need and relevance of training requests.
- Introducing a training evaluation process to assess its value and how it is transferred back to the workplace.

Acknowledging the challenges she faces, the personnel officer’s aim is to progress her agenda one step at a time. When performance appraisals and the identification of training needs are accepted practice, she believes this will pave the way for line managers to take a greater responsibility for HRD.

DISCUSSION QUESTIONS

1. The organization uses the term “personnel officer”. What does this say about HR’s status in the organization? Is formal status a requirement for power and influence?
2. What significance does the new senior director have for HRD? How could the personnel officer use this new hire to enhance her power and influence?
3. Consider the following quote from the new senior director:

The culture is very person-centered – everyone is an individual ... I think that does make it very messy – and it is about the compromise between recognizing that yes, we are going to treat all our managers individually, but have some core standards that we expect them to reach.

 - a. Summarize the challenges and opportunities this culture presents for HRD.
 - b. How appropriate are the steps for promoting the HRD agenda (outlined in the case) in this culture?
 - c. Suggest strategies to establish power and influence for HRD.

EXTENSION TASKS

Consider the power bases that are most evident in volunteer organizations. How does this differ from private sector institutions and how do those differences affect the character and influence of HRD in these types of organizations? Are the tactics HRD professionals use different? If so, why?

Despite the potential barriers and constraints for HRD in the voluntary sector, there is considerable evidence of good practice. From the suggested reading or by searching the Internet, identify three examples.

CASE C. ACCOUNTANTS AT THE WHEEL: RAISING THE PROFILE OF HRD IN AN AUTOMOBILE DEALERSHIP

ABSTRACT

This case explores a large, family-controlled automobile dealership in northern England. The case is based on interviews with two senior members of the organization: the finance director and the HR manager. The HR function is relatively new to the organization and its development has been somewhat uneven. The case focuses on the issues facing the HR manager and discusses how she is trying to establish a stronger presence for HRD in the organization and position HRD so it can play a valuable role in managing what has become a complex business. Difficulties and tensions are evident. Thus, the case provides interesting examples of issues surrounding the power and influence of HR and HRD in a family-controlled business. It is made all the more complex because the HR manager is the only woman in a male-dominated management team.

This company is a large automobile dealership that sells and provides service support for the main models of cars on the road. Established in the 1960s by the chairman, it has enjoyed considerable, though sporadic, growth over the years in terms of its size and presence in the marketplace. It remains family controlled; the chief executive is the founder's eldest son. Profit is now £60m (U.S. \$104m) and the company employs more than 1,100 employees in 40 dealerships and its headquarters. Its growth has been achieved by a combination of:

- Selective acquisition.
- New business development (like car rentals and leasing).
- Competitive bidding for new manufacturer-sponsored dealerships (e.g., Mercedes, VW).

Growth has been driven by the dominant family owner, the chairman, rather than by a demand to meet a wider shareholder or stock market expectation. Strategic business decisions are still in the hands of the chairman as opposed to a wider constituency.

While this growth has brought financial prosperity to the family, it is an increasingly complex business to manage. Complexity has been added because of:

- Increasing management layers. The business now has a tier of brand directors who look after four or five dealerships (those principally selling BMW cars) in addition to the various managers at each dealership (general manager, sales manager, etc.) and in the contract hire division.
- A geographic distribution that has spread considerably beyond its initial base. Dealerships are located throughout northern England.

- The need for fit-for-purpose systems across a diverse set of functions and the need to respond, for example, to much stricter financial controls introduced by government (e.g., with respect to cars bought using loans).
- Rising manufacturer standards that translate into tougher demands on car dealerships. The finance director notes:

The game has been moving on all the time ... what was acceptable in the 70s for a typical dealership has changed ... the bar has been raised progressively in lots of ways, like standards. All the Porsche dealerships in the world are exactly the same ... and it extends to manufacturers wanting to approve certain key positions, like your general manager and the sales manager ... We have to send our chosen candidate down for vetting.

This change makes the finance director's role in HR important. Recruited in 1988, he was the first senior appointment made outside of the family. He quickly recognized the need for HR systems and processes to ensure that recruitment, selection and required training, for example, were not undertaken haphazardly and inconsistently. In effect, some HR became part of his job as finance director. It was not until 10 years later that the first HR manager was hired. At that point in time, with more than 20 dealerships and a much larger workforce, it was decided that the time was right for change. Any earlier, it was thought, the chairman would have simply said that it wasn't needed. The finance director made the case for the HR position based on the need for compliance. An HR manager would help the company comply with employment laws and the growth in manufacturer expectations and standards.

The new HR manager was short-lived. The incumbent struggled to be effective in what is a tough business. He was considered too soft, and reports of him being "eaten alive" by general managers provided graphic testimony of this. His replacement, described as more of a "battleaxe," did succeed in introducing some important innovations (e.g., an appraisal system); her demise after two years was attributed to poor handling of important technical issues regarding employee transfers from one of the newly acquired businesses.

The incumbent is the third HR manager and has been with the company for a little more than three years. During the job search, the finance director argued that it was important to have HR leading initiatives and sitting with top management rather than operating under instructions. Karen, with a track record of more than 15 years of HR experience in retail and hospitality, was hired. Although not a director, Karen attends meetings of the operations board. She reports to the chief executive and has created a small department of two HR advisors and herself. Despite all this, Karen questions the rhetoric surrounding her appointment. In her view, her appointment was "a necessary evil ... They didn't have a clue about HR or about how it might help expand the business ... They just wanted an HR woman ... to do the disciplinaries."

From the outset, HRD was a particular concern for Karen. She sought and got approval to hire a training officer. Her concern was that salespeople were considered “number one” and received all the support from manufacturers and the company. Karen’s concern was everybody else. For example, there were managers who had been recruited from the sales force; they were good salespeople but not necessarily good managers. Karen said it was frustrating to see them fail after a year because of a lack of basic supervisory skills.

The training officer, however, did not work out, lasting only eight months. In retrospect, Karen feels the initiative was a case of “trying to run before we could crawl,” and that the organizational culture at the time was a recipe for disaster:

She lasted about eight months ... it was just a battle, it was awful. She was so different ... you’ve got to remember a training manager is a lively extrovert, with Post-It notes everywhere and piles of paper all around. She came here and it was like working in a bank. If you’re not an introvert, if you’re not an accountant, you don’t fit.

The problem of fitting in is one in a set of problems Karen describes, including:

- Resistance from the top for Karen’s idea to get managers to do more of their own HR work. Karen notes that on more than one occasion the chief executive has said that their managers “can’t cope with this sort of thing”.
- Reluctance to recruit outside of the automobile industry and bring in talent with retail experience from other sectors, despite a staff turnover rate of more than 30 percent.
- A culture dominated by the family.
- A predominantly male workforce. Karen notes that she and her team have been called the “cackling witches” and the “welfare department”. She notes, “We are women and you know all the directors are men – it is just so difficult.”

Although the training officer position did not work out, Karen has had successes. Paradoxically, it is with managers that she feels she is making slow progress. Her belief that HR and HRD should be a critical part of any manager’s role has not wavered despite opposition and resistance. She describes it as a “hard struggle” and “hard to sell”, but changes are evident. She has introduced a combination of short, half-day workshops for managers followed by support at the dealership. Through this, Karen feels there is now acknowledgement that improvements to the business can be made through good recruitment, effective performance management, coaching and mentoring.

Tensions remain. Working with managers at their locations is resource-demanding, and the three-person HR team is spread too thinly. For some, HR is still seen as a headquarters help desk. Two HR advisors spend much of their time on the telephone operating a call center service rather than out in the field. This said, the hiring of a third HR advisor has been approved (see job description below). There is still talk of adding a training or learning and development manager position, and there is also mention of a graduate recruitment initiative to grow their own managers. Karen remains somewhat skeptical, though, as to whether the required resources will have political support of the board. The future of HR and HRD in one form or another is assured, but Karen is about to lose her one ally on the board: The finance director is due to retire. She is not enamoured by the prospect of working with directors who fundamentally see things differently.

| Job Title | Job Description |
|------------|--|
| HR ADVISOR | <p>We are looking to recruit an HR advisor to support and assist managers across the group in all aspects of people management.</p> <p>You will provide generalist advice to managers on recruitment, the disciplinary process, handling grievances, performance management, TUPE¹ and the redundancy process. This will be done over the telephone from headquarters for the first 6-12 months, after which you will be field-based with responsibility for a cluster of dealerships. You will take on coaching, mentoring and training duties in addition to the above.</p> <p>You will be proactive as you confidently and effectively provide practical advice in line with best practices, company procedures and law. You will follow up with the advice that you provide to ensure that your advice has been correctly initiated and have the confidence to challenge managers where appropriate in a professional manner.</p> <p>It is essential that you have a minimum of three years generalist HR experience and strong working knowledge of Microsoft Office applications. You will be highly organized with effective communication skills and the confidence to deal professionally with all levels of employees, managers and directors across the company.</p> |

¹ TUPE is a U.K. law governing the transfer of an undertaking, or part of one, to another. The regulations are designed to protect the rights of employees in a transfer situation, enabling them to enjoy the same terms and conditions, with continuity of employment, as before the transfer.

DISCUSSION QUESTIONS

1. Karen, the HR manager, describes her three years with the company as “difficult”. She uses words like *struggle*, *battle* and *ally*. Summarize the factors that have created this perception in terms of her power and influence in the organization.
2. How can Karen develop a more strategic presence for HR and HRD, particularly now that her ally on the board is about to retire?
3. Karen has had some success with the managers. What sort of style and approach should Karen use with the managers? Reflect on the differences between positional power and influence and personal power and influence.
4. Karen is the only woman in a male dominated senior management team. How does this affect her power and influence?
5. Review the job advertisement for a new HR advisor. Is it appropriate to orient the new employee into the characteristics of power and influence in relation to the HR function in the business? How could this be achieved? Is it appropriate to have the new employee spend most of their first six months working in the HR call center?

EXTENSION TASKS

1. Family-controlled businesses are often smaller in size than the company discussed in this case. Often, they have no dedicated HR function, much like this company before 1998. Consider the implications of managing HRD in a small business. What are the difficulties? What are the advantages?
2. In the U.K., women hold the majority of junior- and middle-management positions in HR and HRD. Paradoxically, though, HR directors are invariably male. Is a similar situation evident in the sector in which you work? What about women in management in general?

CASE D. BREAKING THE LOW-SKILL CYCLE: A ROLE FOR HRD?

ABSTRACT

This scenario describes a study by Hull University on behalf of Hull City Council to investigate the training requirements of lunch supervisors in the city's primary schools. It identifies a number of training needs but also considerable barriers to addressing them. The case is based on an interview with the study's project manager. It examines a group of unskilled workers who have limited access to HRD. Students are encouraged to consider issues related to low-skilled workers and the effect the lack of training has on their power and influence in the workplace.

The Hull City Council, as part of a project to introduce healthy school meals, saw that there was a lack of training for lunch supervisors. Existing training was patchy, inconsistent and had no long-term effect on work performance.

As you would expect in a school environment, there was a strong emphasis on learning and staff development. Teachers must complete a four-year degree program to qualify and subsequently receive a minimum of five training days a year, in addition to any role-specific training, as part of their continuing professional development. Teaching assistants also require a formal qualification and are included in a number of school training days. However, for up to 1.5 hours of the 6-hour day children spend at school, they are in the care of lunch supervisors. There are no requirements for training or qualifications for this role. Training is often ad hoc and people learn by communities of practice, often perpetuating inappropriate behavior like blowing whistles and shouting at children.

As a result, the Hull City Council commissioned the University of Hull to research the training needs of lunch supervisors in 71 primary schools in the city. All 71 schools were sent a survey to hand out to their lunch supervisors, asking questions about their job, their likes and dislikes, what they found challenging and the support they received. Six schools were selected to take part in a more in-depth study; these schools were chosen to reflect a variety in size, location and economic prosperity. The project was managed by a university representative, who interviewed the head teachers and lunch supervisors over a period of several months. She spent a week working as a lunch supervisor, and spoke to people in groups and one-on-one to understand the job requirements.

The needs identified were:

- Head teachers wanted lunch supervisors trained to play with children and to encourage playground activities.
- The lunch supervisors saw behavior management and conflict resolution as key skill requirements for the job.
- The project manager highlighted developing confidence, understanding the role and understanding children's needs as additional requirements.

The study also highlighted a number of potential barriers to training:

- It was difficult to recruit people with the right skills because the work was low-paid and confined to the lunch period.
- The job was undervalued by head teachers, teachers, children and even the lunch supervisors themselves.
- Jobholders often left school without graduating or had been out of the workplace for a long time and were sometimes apprehensive about training.
- A large number of these employees had poor numeracy and literacy skills, often making some forms of training inaccessible.
- Some employees had been in the role for 20-30 years and thought that their experience was sufficient and that training was unnecessary.
- Many of these employees had other part-time jobs, and availability for training was limited.

Although the project identified some clear training needs, the project manager highlighted broader issues that needed to be addressed and which she felt would potentially have an important effect on the efficacy of any training developed. These were the lack of integration with the wider school team; the job's profile; and the need to change perceptions.

A program to address the training needs of lunch supervisors would be expensive and require a lot of investment by the government or the local council. Schools are managed as businesses and have to control tight budgets. Other priorities, such as school resources and teaching staff, are likely to attract investment at the expense of the lunch supervisors. This may be justifiable in terms of the outcomes for children, although the implications of disruption to afternoon teaching when issues are not resolved appropriately at lunch were noted in the study. What about the lunch supervisors themselves? The job is almost exclusively held by women who are trapped in a low-skill cycle. Due to poor education, they can obtain only low-skilled work. In these low-skilled roles, they do not receive training or development to enhance their skills and have little potential to move out of these low-skilled, low-paid jobs.

DISCUSSION QUESTIONS

1. What are some of the possible outcomes of a carefully designed training program to meet the needs of the lunch supervisors in terms of the distribution of power and influence in the school? Are there any hidden dangers (unanticipated consequences)?
2. There is some ambiguity as to where and with whom responsibility lies for the training and development of these employees.
 - a. How important is this in terms of access to HRD opportunities?
 - b. Identify the political factors in this case that need to be effectively managed to improve the situation.
3. Where should responsibility for HRD lie with regard to these employees?
4. The case examines an initiative to address the training needs of a particular employee group. A stimulus for the initiative is the growing interest in the dietary health of our children. In the absence of such an external stimulus, how could this group and similar groups of low-skilled workers ensure a stronger voice in their organization and sustain it beyond the short term?

EXTENSION TASKS

1. Identify other employee groups trapped in low-skill cycles. Consider different economic sectors. Is it more likely to be a problem in some sectors than others?
2. The discussion raised in the case introduces wider social and political issues:
 - a. A key factor in low-wage employment is the educational attainment level of the employee.
 - b. Women are overrepresented in this type of low-paid role.
 - i. Should an organization be responsible for offering HRD opportunities to all its employees?
 - ii. Should HRD professionals engage in this debate, or should they focus on the effect of HRD on business goals?

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