

HUMAN RESOURCE MANAGEMENT AND EMPLOYMENT RELATIONS (MG190)

Course duration: 54 hours lecture and class time (Over three weeks)

LSE Teaching Department: Department of Management

Lead Faculty: Professor David Marsden

Pre-requisites: None

Course contents:

The course provides a panorama of the key analytical issues in HRM and Employment Relations, recent theories and controversies, and applies them to cases of current interest. The focus of the course is international, drawing on the experience of several major OECD countries including in Western Europe, the US, Japan and some of the emerging economies.

Part 1 HRM Organisational perspectives:

- Employment Relations and Human Resource Management (DM)
- Human resource management strategy, performance and stakeholder interests (DM)
- Organisational core competencies, skills and knowledge management (DM)
- Motivation, organisational commitment and the 'psychological contract' (DM)
- Reward systems and reward strategy (DM)
- Managing human resources across organisational and national boundaries (DM)

Part 3: Employment relations in the workplace, and international labour standards:

- Employment relations in comparative perspective (SA)
- Employment relations and 'varieties of capitalism' (SA)
- Employee participation: From teams to works councils (SA)
- Employment relations and pay systems (SA)
- Globalisation and international labour standards (SA)
- Corporate Social Responsibility and labour standards (SA)

Date	
	Part 1 HRM Organisational perspectives
Mon	Employment Relations and Human Resource Management (DM)
Tues	Human resource management strategy, performance, and stakeholder interests (DM)
Wed	Skills, organisational competencies, and knowledge management (DM)
Thurs	Motivation, organisational commitment and the 'psychological contract' (DM)
Mon	Reward systems and reward strategy (DM)
Tues	Managing human resources across organisational and national boundaries (DM)
	Part 2 Employment relations and HRM international perspectives
Wed	Employment relations in comparative perspective (SA)
Thurs	Employment relations and 'varieties of capitalism' (SA)
Mon	Employee participation: From teams to works councils (SA)
Tues	Employment relations and pay systems (SA)
Wed	Globalisation and international labour standards (SA)
Thurs	Corporate social responsibility and labour standards (SA)
Friday	Exam

[Note: the final lectures of Parts 1 and 2 will also include a Q&A session to assist students with revision]

Design: The first part of the afternoon session will be devoted to a formal lecture to introduce the key analytical tools and to give an overview of the current state of knowledge. The second part will consist of a presentation of comparative analysis and case study material, which will then form the basis of the morning seminar groups. Each section's sessions are designed to progress from general analytical issues towards a more contextualised understanding in the final lecture of each section.

Throughout, use will be made of international evidence and international comparisons, and the case studies will be chosen so as to give a feel for the international diversity of approaches to HRM and Employment Relations, and guidance as to how to interpret this.

Assessment:

A 1,000 word essay will be set to be handed in to the Summer School Office. A single essay question will be set relating to the HRM lectures.

A two-hour unseen exam will take place on the final Friday of the programme. You will be expected to answer two out of about six questions.

The essay counts for one third, and the exam for two thirds, of the final assessment.

Lecture materials:

Additional lecture materials will be made available on Moodle. You can also access many articles online through the Library. Go the Library website, journals, and Ejournals:

<http://zw4gk5cr3l.search.serialssolutions.com/?V=1.0&N=100&L=ZW4GK5CR3L&S=AC T B&C=Academy+of+Management+Review>

Indicative reading (not in the course pack: library references given):

- Bamber, G. Lansbury, R., and Wailes N. (eds.) (2011) *International and Comparative Employment Relations*, 4th Edition. London: Routledge, [CC HD6971 I61]
- Baron J, and Kreps D. (1999) *Strategic Human Resources: frameworks for general managers*, New York: Wiley [CC HF5549 B26]. 3
- Hall and Soskice (2000) *Varieties of capitalism* [HB501 V29] [available online]
- Marsden, D. (1999) *A theory of employment systems*. Oxford: Oxford University Press [CC HD5701.5 M36] [available online] Available online at <http://www.oxfordscholarship.com/oso/public/content/economicsfinance/0198294220/toc.html>
- Schuler and Jackson (2007) *Strategic Human Resource Management*, 2nd Edn. [HF5549.A3 S38]
- Boxall, P. and Purcell, J. (2011) *Strategy and Human Resource Management*, London: Palgrave Macmillan. [HF5549 B78]
- Eliot, K. A. & Freeman, R. B. (2003) *Can Labor Standards Improve Under Globalization?* Washington, DC: Institute for International Economics HD6476 E41
- Locke, R. (2013) *The Promise and Limits of Private Power Promoting Labor Standards in a Global Economy*, Cambridge: Cambridge University Press. HD6961 L81

Contacts:

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Lectures classes and readings:

We know that for some of you will be fairly new to HRM and employment relations, whereas some of you already have some experience of the field. We have designed the course to take this into account. The lectures are intended to give you an introduction and overview of each topic, and to provide ideas that will help you take part in the class discussion. The readings have been set out so that you can identify the key reading for each day, and supplementary readings that will enable you to deepen your interest in the subject.

The classes are intended to give you the opportunity to analyse a problem in HRM or ER yourselves, and sometimes to work out and discuss possible solutions. These discussions will be led by your class teachers. For each class, we have provided some case study notes to give you some background. Please make sure you read these before your class.

You have a 1,000 word essay which we recommend you do as this will give you the opportunity to try out what you have learned, and to get some feedback on your progress, and it will also be a vital step in preparing for the exam at the end. The 'further reading' is partly for interest, but you may also find some of the readings useful for your essay.

During the lectures, we shall use a variety of formats. Sometimes the lecturers will do the talking, but we also want to break up the lectures with a number of more participatory exercises, and discussion of issues raised by the lecturers.

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Lecture 1: Human resource management strategy: management strategies, performance, and stakeholder interests (DM)

- Bloom, John et al (2005) Management practices: the impact on company performance. *Centrepiece*, Summer, pp. 2-6. Online: <http://cep.lse.ac.uk/pubs/download/CP177.pdf>
- Pfeffer, J. (1995): Producing sustainable competitive advantage through the effective management of people. *Academy of Management Executive*, 9 (1): 55-72.

Case study: discussion of the Harvard Model and asking students to identify the key stakeholders in their own countries, and to see whether there are distinct national models.

See case study notes for summary of the Harvard Model and diagram.

Further reading (for interest)

- Boselie, Paul, Paauwe, Jaap, and Richardson, Ray. (2003) Human resource management, institutionalization and organizational performance: a comparison of hospitals, hotels and local government, *International Journal of Human Resource Management*, 14: 8, Dec. pp. 1407-1429.
- Bowen, David E., and Ostroff, Cheri (2004) Understanding HRM-Firm Performance Linkages: The Role of the "Strength" of the HRM System. *The Academy of Management Review*, 29: 2, Apr., pp. 203-221.
- Lepak, David, and Shaw, Jason (2008) Strategic HRM in North America: looking to the future, *International Journal of Human Resource Management*, 19: 8, August, pp. 1486-1499.

Lecture 2: HRM and business and organisational performance (DM)

- Allen, Mathew R. and Wright, Patrick M. (2008) Strategic Management and HRM. In *The Oxford Handbook of Human Resource Management*, Oxford University Press (available online via Library) <http://www.oxfordhandbooks.com/view/10.1093/oxfordhb/9780199547029.001.0001/oxfordhb-9780199547029-e-5>
- White, Michael and Bryson, Alex (2013) Human resource management: how much do firms really need? *Centrepiece*, Autumn, pp. 26-28. Online: <http://cep.lse.ac.uk/pubs/download/cp407.pdf>
- Bloom, Nicholas; Dorgan, Stephen; Homkes, Rebecca; Layton, Dennis; Sadun, Raffaella, and Van Reenen, John (2011) Hospital performance: the impact of good management, *Centrepiece*, Winter, pp. 8-9. Online: <http://cep.lse.ac.uk/pubs/download/cp330.pdf>
- Jürgens, Ulrich (2003) Transformation and interaction: Japanese, U.S., and German production models in the 1990s. In Yamamura, Kozo, and Streeck, Wolfgang eds. (2003) *The end of diversity? Prospects for German and Japanese capitalism*. Cornell University Press, Ithaca, NY.

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Case study: discussion of the 'Pfeffer' Model: is this a model that can be applied in all types of organisation, or is it useful only in certain types of organisation? See case study notes.

Further reading (for interest):

- Boxall, Peter and Macky, Keith (2009) Research and theory on high-performance work systems: progressing the high involvement stream. *Human Resource Management Journal*, 19: 1, January pp. 3-23.
- Godard, John. (2004) A critical assessment of the high performance paradigm. *British Journal of Industrial Relations*, 42: 2, June pp. 349-378.

Lecture 3: From skills to organisational competencies and knowledge (DM)

- Hansen Morten. T, Nohria, Nitin, and Tierney Thomas. (1999) What's your strategy for managing knowledge? *Harvard Business Review*, 77: 2, March-April, pp. 106-116.
- Boxal, Peter, and Purcell, John (2011) Chapter 4. Strategic HRM and sustained competitive advantage. Pp. 97-124. in Boxall P and Purcell J (2011) *Strategy and Human Resource Management*, London: Palgrave Macmillan.

Case study: Managing knowledge workers in British and Japanese companies. See case study notes.

Further reading (for interest):

- Lam, Alice (2007) Knowledge Networks and Careers: Academic Scientists in Industry–University Links. *Journal of Management Studies*, 44: 6, Sept. pp. 993-1016.
- Marsden, David and Canibano, Almudena (2010) Economic approaches. In Gollan, P, Lewin D, and Wilkinson A. eds *Oxford Handbook of Participation in Organisations*. Oxford University Press, Oxford. Online: [www.http://cep.lse.ac.uk/pubs/download/dp0945.pdf](http://cep.lse.ac.uk/pubs/download/dp0945.pdf)

Lecture 4: Organisational commitment, justice and the ‘psychological contract’ (DM)

- Cullinane, Niall, and Dundon, Tony (2006) The psychological contract: a critical review. *International Journal of Management Reviews*, 8: 2, June, pp. 113-129.
- Cropanzano, Russell; Bowen, David E. and Gilliland, Stephen W. (2007) The Management of Organizational Justice. *Academy of Management Perspectives*, 21: 4, Nov., pp. 34-48.

Case study: Psychological contract in a fast food company, in a merged consulting company. See case study notes.

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Further reading (for interest):

- Rousseau, D. M. (2001): Schema, promise and mutuality: The building blocks of the psychological contract.. *Journal of Occupational and Organizational Psychology*. 74: 4, pp. 511-42.

Lecture 5: Reward systems, and reward strategy (DM)

- Baron J, and Kreps D. (1999) Ch 11. Pay for performance, pp. 243-283, in Baron and Kreps (1999) *Strategic Human Resources: frameworks for general managers*, Wiley, New York.
- Lazear, Edward P. (1998) Performance pay at Safelite, pp 102-103 in Lazear Edward P. (1998) *Personnel Economics for Managers*, Wiley, New York. [NOTE: these two pages only required].
- Marsden, David (2009) The Paradox of performance related pay systems: ‘Why do we keep adopting them in the face of evidence that they fail to motivate?’ Ch 10 in ‘*Paradoxes of Modernization: Unintended Consequences of Public Policy Reforms*’ edited by Helen Margetts, Perri 6, and Christopher Hood, pp. 185-202. Oxford University Press, Oxford. Online: <http://cep.lse.ac.uk/pubs/download/dp0946.pdf>

Case study: pay for performance: What general lessons can be learned from each of the following cases?

- ‘Safelite’ introduction of performance pay compared with other approaches.

- Referees in professional sports (see Bryson reading below)

Note: Do Bryson et al's findings contradict those of Lazear?

See case study notes.

Additional reading (for interest):

- Bell, Brian, and Van Reenen, John (2012) UK chief executives: paid for performance? *Centrepiece*, Spring, pp. 28. Online: <http://cep.lse.ac.uk/pubs/download/cp373.pdf>
- Bryson, Alex, et al. (2010) Men in black: the impact of new contracts on football referees' performance. *Centrepiece*, Summer, pp. 20-21. Online: <http://cep.lse.ac.uk/pubs/download/cp314.pdf>
- Ding, Daniel Z.; Akhtar, Syed; and Ge, Gloria L. (2006) Organizational differences in managerial compensation and benefits in Chinese firms. *International Journal of Human Resource Management*, 17: 4, Apr., pp. 693-715.

Lecture 6: Managing human resources across organisational and national boundaries. (DM)

- Dore, R., Lazonick, W., and O'Sullivan, M. (1999) 'Varieties of capitalism in the twentieth century', *Oxford Review of Economic Policy*, 15, 4, Winter: 102-120
- Batt, R., Doellgast, V., & Kwon, H. (2005). Service management and employment systems in U.S. and Indian call centers. In S. Collins & L. Brainard (Eds.), *Brookings trade forum 2005: Offshoring white-collar work – the issues and implications*(pp. 335-372). Washington, D.C.: The Brookings Institution [www.http://digitalcommons.ilr.cornell.edu/hr/39/](http://digitalcommons.ilr.cornell.edu/hr/39/)

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This lecture will also include a 'question and answer' session for the first six lectures.

Case study: How would you solve quality problems such as those highlighted by the problems encountered by Mattel? See case study notes.

Additional reading (for interest)

- Farley, John U., Hoenig, Scott, and Yang, John Z. (2004) Key factors influencing HRM practices of overseas subsidiaries in China's transition economy. *International Journal of Human Resource Management*, 15: 4-5, June-Aug, pp. 688-704.
- Helper, Susan, and Sako, Mari (1995) Supplier relations in Japan and the United States: are they converging? *Sloan Management Review*, 36: 3, pp 77-84. (For a follow-up study see Sako (2004) *Industrial & Corporate Change*, 13: 2, pp. 281-308).

Lecture 7: Employment relations in comparative perspective (SA)

Essential reading:

- Frege, C. and J. Kelly (2003) Union Revitalization Strategies in Comparative Perspective. *European Journal of Industrial Relations*, 9(1): 7-24.

Case studies:

- Milkman, R. (2013) 'Back to the Future? US Labour in the New Gilded Age,' *British Journal of Industrial Relations*, 51, 4: 57–81.
- Parsons, N. (2013) Legitimizing Illegal Protest: The Permissive Ideational Environment and 'Bossnappings' in France, *British Journal of Industrial Relations*, 51, 2: 288–309.
- Hassel, A. (2014) 'The Paradox of Liberalization— Understanding Dualism and the Recovery of the German Political Economy' *British Journal of Industrial Relations*, 52, 1: 57-81.

Lecture 8: Employment relations and 'varieties of capitalism'. (SA)

- Thelen, K. (2014) *Varieties of liberalization and the new politics of social solidarity*. Cambridge University Press. Chapter 1.
- Höpner, Martin. (2005) What connects industrial relations and corporate governance? Explaining institutional complementarity. *Socio Economic Review*, 3(2):331-58.

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Case study: The Vodafone takeover of Mannesmann in Germany

- Jackson, G. and M. Hoepner. (2001) An Emerging Market for Corporate Control? The Mannesmann Takeover and German Corporate Governance. Max-Planck-Institute for the Study of Societies, Discussion Paper No. 01/4.

Lecture 9: Employee participation: From teams to works councils (SA)

- Batt, Rosemary and Doellgast, Virginia (2004) Groups, Teams and the Division of Labor: Interdisciplinary Perspectives on the Organization of Work. In *The Oxford Handbook of Work Organization*. S. Ackroyd, R. Batt, P. Thompson and P. Tolbert, eds. Oxford: Oxford University Press
- Boxall, P. F., & Purcell, J. (2010). 'An HRM perspective on employee participation' in Wilkinson, Adrian, et al., eds. *The Oxford handbook of participation in organizations*. Oxford: Oxford University Press.

Case study: Comparing models of employee participation in US and German call centres

- Doellgast, V. (2010) Collective Voice under Decentralized Bargaining: A Comparative Study of Work Reorganization in US and German Call Centers. *British Journal of Industrial Relations*. 48(2): 375-400.

Lecture 10: Employment relations and pay systems (SA)

- Howell, D. (2013) 'The Austerity of Low Pay: US Exceptionalism in the Age of Inequality,' *Social Research* 80, 3: 795-816.
- Bosch, Gerhard, Mayhew, Ken and Gautié, Jérôme (2010) 'Industrial Relations, Legal Regulations, and Wage Setting' in J. Gautié & J. Schmitt (Eds) *Low Wage Work in the Wealthy World*. New York: Russell Sage Foundation. Pp. 91-146.

Case study – The minimum wage in the US – PLEASE PRINT OUT THESE THREE SHORT ARTICLES FOR INCLUSION IN THE PACK

- <http://www.usatoday.com/story/money/2015/04/15/fast-food-strike-fight-for-15-service-employees-international-union/25787045/>
- <http://www.washingtonpost.com/posteverything/wp/2015/04/15/we-are-spending-153-billion-a-year-to-subsidize-mcdonalds-and-walmarts-low-wage-workers/>
- <http://www.nytimes.com/2015/04/16/business/economy/in-test-for-unions-and-politicians-a-nationwide-protest-on-pay.html? r=0>

Lecture 11: Globalisation and international labour standards (SA)

- Locke, R. (2013) *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*, Cambridge: Cambridge University Press, Chapter 1.
- Eliot, K. A. & Freeman, R. B. (2003) *Can Labor Standards Improve Under Globalisation?* Washington, DC: Institute for International Economics, Chapter 1.

Class tasks:

Debate: Should labour standards be regulated internationally?

Group exercise: What is the most effective way to regulate labour standards?

Lecture 12: Corporate social responsibility and labour standards (SA)

- Vogel, D. (2005) *The Market For Virtue: The Potential and Limits of Corporate Social Responsibility*, Washington D.C.: Brookings Institution Press, Chapter 4.

Case study: Approaches to international labour standards at IKEA and Walmart

- Christopherson, S. and N. Lillie. (2005) Neither global nor standard: corporate strategies in the new era of labor standards. *Environment and Planning A*. 37: 1919-1938.

Credit Transfer: If you are hoping to earn credit by taking this course, please ensure that you confirm it is eligible for credit transfer well in advance of the start date. Please discuss this directly with your home institution or Study Abroad Advisor.

As a guide, our LSE Summer School courses are typically eligible for three credits within the US system and 7.5 ECTS in Europe. Different institutions and countries can, and will, vary. You will receive a digital transcript and a printed certificate following your successful completion of the course in order to make arrangements for transfer of credit.

If you have any queries, please direct them to summer.school@lse.ac.uk