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From Industrial Relations to Human Resource

Management:

The Changing Role of the Personnel Function

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Abstract

The evidence from 25 years of the Workplace Employment Relations Surveys shows that a growing number of workplaces have a personnel specialist in place and that an increasing proportion of these specialists have relevant qualifications. Personnel management is becoming more embedded and more professionalised. It is reasonable to assume that personnel specialists are hired to apply contemporary best practice and thereby, perhaps indirectly, to improve performance. Our analysis fails to support this assumption. Personnel specialists are more likely to be associated with traditional industrial relations practices rather than human resource practices. Yet, on the basis of ratings that they have provided, where more human resource practices are in place, performance is more highly rated. Moreover, where personnel specialists are present, including qualified specialists, performance tends, if anything, to be poorer.

Key words: personnel specialist; human resource management, quits; industrial action; labour productivity; financial performance; employment relations.

JEL Classification: J50; L25; M12

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From Industrial Relations to Human Resource Management: The Changing Role of the Personnel Function

Introduction

In organisations of any size, someone has to take responsibility for managing employment relations. In small workplaces, this may be the manager of the enterprise but as organisations get larger, it is increasingly a role for a specialist. Boxall and Purcell (2003) define this role as being concerned with “all those activities associated with the management of the employment relationship in the firm” (p.1). The purpose of this paper is to explore the changes over the five Workplace Employment Relations Surveys (WERS) in evidence about who is responsible for this activity, what it entails and what impact it has in the workplace.

During the 20th century, the personnel management function in organisations grew from a predominantly welfare activity in a few factories to a core activity in all organisations of any size (Niven, 1967; Watson, 1977). When the first WERS was undertaken in 1980, personnel managers were faced with a range of challenges and pressures. Industrial relations and in particular industrial conflict had a high profile with a continuing shift towards greater emphasis on the management of industrial relations at the company and workplace level rather than through national agreements. Legislation enacted by the Labour governments in the 1970s had extended workers' individual rights and the implementation of that legislation had provided an increased role for personnel specialists. In many sectors, personnel managers faced chronic shortages of key labour and had to give constant priority to attracting and retaining staff. Growing concerns about low productivity and poor quality in British industry placed pressure on personnel managers to ensure appropriately trained staff and to search for acceptable kinds of productivity deal. On top of this, although many personnel managers would not be aware of it, Legge (1978) had argued persuasively that personnel managers were often not capable of bringing about the kind of employment relations innovations that seemed to be required.

In the intervening years, industrial relations has moved out of the headlines. Instead, contemporary debates focus more on human resource management. The resource-based view of the firm (Barney, 1991; Barney and Wright, 1998) has raised the stakes by arguing that human resource management is central to corporate success; but this same debate has also raised again the question of who should be responsible for this activity and what part personnel specialists should play.

Personnel managers have always tended to be somewhat insecure about their role in organisations. This insecurity was effectively captured in Legge's (1978) outline of the ambiguities and contradictions in the role. It was further reinforced by the analysis in the USA of Wickham Skinner (1981) who used the memorable phrase "big hat, no cattle" to describe a propensity of the personnel function to promise much and deliver little, implying at the same time that personnel issues were too important to be left to personnel specialists. At a more personal level, Ritzer and Trice (1969) presented evidence about how executives in the USA perceived the qualities of personnel managers, using terms such as passive, reactive, not business-oriented and risk averse. The advent of human resource management helped to alter this perception to the extent that Fortune in the US produced an article proclaiming HR managers as the "new corporate heroes" (Meyer, 1976). Given residual insecurities, it is also not surprising that Ulrich's (1997) guidance on how to become "HR champions" was welcomed with open arms by the personnel community.

Another way of countering concerns about personnel specialists has been to professionalise the function. Within the lifetime of the WERS surveys, the UK's Institute of Personnel Management has expanded from a qualifying association to become the Chartered Institute of Personnel and Development (CIPD), reflecting its status as the representative body for the function. An underlying assumption of this status is that those with CIPD professional qualifications are likely to meet certain standards of competence and to be in the vanguard of the application of contemporary best practice.

The WERS series provides an opportunity to explore how far the employment relations function has changed over the past 25 years. The surveys include a number of relevant indicators. If employment relations has become increasingly important, we

might expect to see a growth in the number of workplaces with a specialist role. Any shift in emphasis from industrial relations to human resource management might be reflected in the titles and in the activities of those in specialist roles. If the status of the function is growing, we could expect to see an increase in its professionalisation which might be indicated by the proportion of specialists who have relevant qualifications. The status of the function might be reflected in greater board-level representation. In the early days of people management, with a focus on welfare and human relations, it was quite likely that the specialist role would be filled by a woman. In the era when industrial relations dominated, it was sometimes perceived, rightly or wrongly, as more suitable for men. The advent of a focus on HRM has shifted the balance again, raising the issue of whether the role is becoming increasingly the domain of women. As human resource management has achieved greater prominence, there has been growing interest in its impact on performance (Guest, 1997; Wall and Wood, 2005). Rather less attention has been paid to any association between features of the specialist function and performance. However it is plausible to expect that any trend towards the employment of more professionally qualified specialists will be associated with the adoption of more contemporary human resource practices and therefore, directly or indirectly, with superior workplace performance. All these issues can be explored in the WERS series.

The paper is divided into three main sections. The first explores the presence of the specialist personnel role and the kind of people in this role and how far these have changed. The second considers what those responsible for personnel management do and how this has changed. The third examines any evidence about their impact on outcomes. In this context, there has been much debate about any link between HRM and performance. We are interested in whether who is responsible for the function and in particular the extent to which it has become a professionalised specialist activity has any independent impact on outcomes. In this paper, we will use the generic terms 'personnel management' and 'personnel specialists' to describe the role and those who occupy the role. The actual titles used and their implications for practice are issues we address in the sections that follow.

One of the challenges in exploring changes over the 25 years and five WERS surveys is that the questions have tended to change and it is particularly tempting to focus on

the two most recent surveys which provide fuller accounts of personnel practices. However in keeping with the spirit of a review of 25 years of WERS, we will focus on items that are covered across at least three of the surveys, including the 1980s surveys wherever possible. This inevitably restricts the items that can be covered but sufficient remain to provide a reasonably comprehensive picture of changes over the period.

The Changing Personnel Management Role

There are conflicting arguments about the trends in the growth of the specialist personnel manager role. On the one hand, the increased emphasis on the importance of human resource management and the growth of professionalism in general in organisations might lead to an increase in specialists; on the other, the personnel role might be particularly susceptible to the trend towards outsourcing of some non-core activities. The most influential view about how the personnel function should be structured has come in recent years from Ulrich (Ulrich, 1997; Ulrich and Brockbank, 2005). There is evidence (CIPD, 2007) that many organisations have followed, in full or in part, Ulrich's advocacy of a three-legged approach whereby the key roles are those of business partner, offering strategic and policy advice, centres of specialist expertise, covering areas such as recruitment and selection, training and development and pay and rewards and shared service centres, providing an administrative input and advice as well as dealing with queries from managers and staff, sometimes in a call centre. The CIPD survey evidence (CIPD 2007) shows that where shared service centres have been adopted, they are usually in-house rather than externalised; nevertheless, they may challenge the need for a personnel specialist at each site. So what can we learn from the WERS series about changes in the presence of personnel specialists in the workplace?

The presence of a personnel specialist in the workplace

All five surveys collected information about the presence of a personnel specialist in the workplace. The results are shown in Table 1. It should be noted that personnel specialists are defined according to their formal job title. This differs from the definition used by Kersley et al (2006:39) which also takes account of the time spent on personnel/employment relations matters. Our definition is the same as that used by

Millward, Bryson and Forth (2000: 52) and includes all those in the first two rows of Table 1.

Table 1. Presence of a Workplace Personnel Specialist

| % | 1980 | 1984 | 1990 | 1998 | 2004 |
|-------------------------------------|------|------|------|------|------|
| Personnel/HR | 14 | 14 | 16 | 22 | 30 |
| Employee/staff/industrial relations | 1 | 2 | 1 | 1 | 0.5 |
| General manager | 49 | 49 | 24 | 35 | 37 |
| Branch/depot/establishment manager | 21 | 11 | 22 | 10 | 10 |
| Other (e.g. Finance) | 15 | 24 | 33 | 32 | 23 |

Data based on title of the person responsible for employment relations at the workplace. The table is confined to workplaces employing at least 25 people and where the respondent is located at the establishment. The unweighted numbers range from 1856 in 1980 to 1380 in 2004.

There has been significant growth in the specialist role since 1990 and more particularly between the 1998 and 2004 surveys. This trend remains significant after controlling for any changes in workplace composition and counters any suggestion of a decline in the role as a result of devolvement of activities to line management or the growth of shared services.¹ Given the presumed trend from industrial relations to human resource management, we might expect to see a decline in the proportions with titles containing “industrial relations”, or “employee relations”. But what the surveys reveal is that these titles were very rarely used, even in the early 1980s. There is some evidence that those based in workplaces that belonged to multi-site organisations were able to draw on specialist employment relations expertise located elsewhere in the organisation.

The relatively marked increase in the presence of a workplace specialist between 1998 and 2004 might be explained by the growing influence of human resource management. Titles may be of predominantly symbolic significance, but they can serve as one indication of a growing recognition of the importance of human resource management. Systematic evidence on this is only available in WERS since 1990 but it confirms a clear trend. In 1990, less than one per cent of those responsible for employment relations had adopted this title. In 1998, it had grown to 7 per cent of the 22 per cent who were personnel specialists but by 2004 20 per cent out of the 30 per cent identified as specialists had adopted the ‘human resource’ title. The move towards the human resource title has been more marked in some workplaces than

others. For example, it has been more prevalent in the private sector than the public sector, and in particular in the private service sector. It is more common in larger workplaces and those belonging to multi-site organizations, in foreign-owned establishments, and in workplaces with higher percentages of non-manual workers and lower percentages of part-time workers.

Qualified personnel specialists

A second indication of a growing professionalism of the personnel function is the presence of specialists with relevant qualifications. Has there been a growth in the numbers with relevant specialist qualifications? The results are shown in Table 2.

Table 2. Percent of those with responsibility for employment relations at the workplace who have relevant specialist/professional qualifications

| | 1980 | 1984 | 1990 | 1998 | 2004 |
|----------------|------|------|------|------|------|
| Specialists | 52 | 57 | 57 | 72 | 67 |
| Other managers | 16 | 19 | 24 | 26 | 24 |
| All managers | 31 | 30 | 35 | 45 | 41 |

Managers are asked to say if they have “formal qualifications in personnel management or a closely related subject”. The table is confined to workplaces employing at least 25 people and where the respondent is located at the establishment and spends at least 25% of her time on employment relations matters (or “a major part” in 1980). The numbers range from 1277 in 1984 to 933 in 1980.

About two-fifths of those responsible for employment relations and who spend at least one-quarter of their time dealing with employment relations matters have a professional personnel qualification. This is an increase of around one-third since the early 1980s. Two-thirds of those in specialist roles, defined in terms of their job title, had a professional qualification by 2004. Although the proportion increased markedly between 1990 and 1998, this trend has not been sustained in 2004. It is notable that since 1990, a quarter of those in non-specialist roles also claim to have specialist qualifications in employment relations. This implies that the professionalisation of management and more particularly personnel management has been steadily advancing.

Regression analysis indicates that specialists with professional qualifications are more likely to be found in larger workplaces, in those that are less than five years old and in those with a higher proportion of non-manual workers. They are also more likely to be found in foreign-owned workplaces. There is some indication when the data are

pooled across the years that they are more likely to be found in the private manufacturing sector compared with the public sector but this was heavily influenced by results from the earlier surveys and notably 1984, and has completely disappeared by 2004. Analysis across the surveys indicates that, controlling for other factors, the probability of having a qualified specialist running employment relations at the workplace rose by a statistically significant 14 percentage points between 1980 and 1998 and by 15 percentage points between 1980 and 2004.

There is some indication in the more recent surveys that those using the 'human resource' title are more likely to have specialist qualifications. Among those using this title, 72 per cent in 1998 and 72 per cent in 2004 claimed specialist qualifications while among those using other specialist titles, such as 'personnel manager' the proportion had dropped from 71 per cent in 1998 to 55 per cent in 2004. This is a large and unexpected drop. It might be explained by those with qualifications seeking to get their post re-titled, although the more detailed analysis by Kersley et al (2006) suggests that this is unlikely; or it may reflect an influx of unqualified specialists into workplaces where the more traditional title was preferred, a possibility supported by the data in Table 3 below.

Women in personnel management

Are more women now working in personnel management? Given the growing proportion of women among those gaining CIPD qualifications, we might expect to find an increase in the proportion of women in specialist personnel roles. The surveys did not collect data on the gender of the interviewee in 1984 and 1990, so we can only compare data from the 1980, 1998 and 2004 surveys. The proportion of female personnel specialists has risen from 19 per cent in 1980 to 62 per cent in 1998 and 68 per cent in 2004. A similar if less marked trend is apparent in the proportion of female non-specialists which has risen from 11 per cent in 1980, to 31 per cent in 1998 and 35 per cent in 2004. Both sets of figures confirm the growing presence of women in managerial roles. Regression analysis confirms that the increase in female personnel managers since 1980 is statistically significant: controlling for other factors the probability of having a female personnel manager rose by 22 percentage points by 1998 and by 26 percentage points by 2004. This trend was apparent across the public sector, private services and private manufacturing.

Experience in personnel management

With the growth in specialist employment relations managers, it is possible that those in personnel management are less experienced than in the past. The propensity for frequent reorganisations may also limit experience in a specific role. Indeed, the CIPD survey of the HR function (CIPD 2007) reported that most had been reorganised in the past year. Nevertheless, the relevant evidence, presented in Table 3, shows no change in the time spent in the current job since 1990, challenging the assumption of an increase in turbulence and job change. In contrast, figures reveal an increase in 2004 in the proportion who are new to personnel management. The bottom of the table reveals that this has occurred predominantly among specialists who are not using the HR title. It should be borne in mind that these are a declining proportion of personnel specialists.ⁱⁱ

Table 3: Time spent in function and in present role among personnel specialists

| | 1980 | 1984 | 1990 | 1998 | 2004 | Total | |
|------------------------------|------|------|------|----------|-------------|----------|-------------|
| Time in current job | | | | | | | |
| Less than 2 years | 29 | 24 | 31 | 31 | 28 | 29 | |
| Two years to less than 5 | 30 | 28 | 33 | 40 | 41 | 36 | |
| Five years or more | 41 | 48 | 36 | 30 | 32 | 36 | |
| Time in personnel management | | | | | | | |
| Less than 2 years | | 5 | 6 | 2 | 10 | 6 | |
| Two years to less than | | 10 | 14 | 16 | 12 | 13 | |
| Five years to less than 10 | | 27 | 18 | 19 | 21 | 21 | |
| Ten years or more | | 59 | 62 | 63 | 58 | 60 | |
| Time in personnel/HR | | | | 1998 | 2004 | | |
| | | | | HR Title | Other title | HR title | Other title |
| Less than 2 years | | | | 2 | 2 | 4 | 23 |
| Two years to less than 5 | | | | 18 | 15 | 10 | 15 |
| Five years to less than 10 | | | | 17 | 19 | 22 | 17 |
| Ten years or more | | | | 63 | 63 | 64 | 45 |

Board Representation

What has happened to board-level representation of the personnel function? Representation on the main board of an organisation is generally viewed as a

desirable goal by the personnel profession since it can be interpreted as an indication of status, importance and centrality to the organisation. Indeed, there is evidence that employment relations issues are more likely to be viewed strategically where there is board level representation (Marginson et al, 1993) and that the personnel function as a whole is likely to be more influential (Guest and Peccei, 1994). This assumption has not gone undisputed. Kelly and Gennard (2007) argue that the development and implementation of strategy is more likely to occur in an executive group or executive board.

When exploring this issue in the WERS series, the most valid comparison is based on a restricted set of organisations consisting of multi-establishment workplaces in the private sector which are at least 50 per cent UK owned. The surveys asked whether there was someone on the board or top governing body with particular responsibility for employment relations. This person may not always be someone with a specialist title. The evidence shows that there has been remarkably little change over the years. In 1980, 73 per cent of respondents indicated that the function was represented on the main board and in 2004 this figure was 72 per cent. In the intervening years, the figures changed only slightly, although there was some indication of a dip in 1998ⁱⁱⁱ.

Summary

This analysis has highlighted and confirmed a number of trends. First, there has been some growth, notably since 1990, in the proportion of those with specialist titles who acted as workplace respondents with responsibility for employment relations. There has also been a marked growth over this period in the proportion of specialists who have adopted the 'human resource' title to a point where it is much more common than 'personnel manager', 'people manager' or any other alternatives. At workplace level, in contrast to 1980, the specialist role is now dominated by women and this trend appears to be continuing. Personnel specialists are also becoming better qualified, more particularly where they have adopted the 'human resource' title, so that a relevant specialist qualification is now the norm.

Some things have not changed. Time in the job and in the profession has remained fairly constant. Time in the job is especially noteworthy given the assumption of continual organisational changes and claims about the reorganisation of the function.

There has also been no change in the proportion of workplaces that have a board member, usually at a higher level, with responsibility for employment relations.

Finally, a theme of this paper is the change from industrial relations to human resource management. There is strong evidence that personnel specialists have adopted the human resource management title in recent years, with foreign-owned workplaces leading the way. However even in 1980, industrial relations was never reflected in the job titles of respondents. Such evidence as we can glean from those cases where respondents came from a higher level implies that where industrial or employment relations specialists existed, they operated at that higher level in the organisation. If any trend from industrial relations to human resource management is not readily apparent in job titles, it may be more apparent in the activities in the workplace. This is the focus of the next section.

Specialist Roles and Personnel Practices

How far does the presence of a personnel specialist affect the kind of practices adopted in a workplace? Because of the greater focus they can give to the role and, in the case of those with specialist qualifications, the distinctive knowledge and training they have gained, we might expect that where there is a specialist, the workplace will adopt more personnel practices. Furthermore, it might be expected to adopt more of those practices that might be construed as contemporary human resource practices rather than the more traditional practices associated with industrial relations.

In this section we will use two definitions of specialist. The first is based on the title of the workplace respondent. If the respondent has a title that refers to personnel, human resources, employment relations, industrial relations or other similar titles, then they are defined as having a specialist role. As noted above, in Table 1, the proportion of respondents with a specialist title grew from 15 per cent in 1980 to 30 per cent in 2004. The second criterion that we adopt is the possession of a professional qualification. This addresses the claims for the benefits of the professionalisation of the function, promoted in particular by the CIPD. There are restrictions on the comparisons that can be made using the WERS data since, as noted earlier, questions about professional qualifications are only asked of those who spend

25 per cent or more of their time on employment relations matters. However this has the advantage of providing a direct comparison among those spending a substantial amount of time on personnel activities (whether they are designated as a specialist or not) according to whether or not they are a specialist with a professional qualification.

A direct comparison of trends in practices could be misleading since the presence of practices is likely to be influenced by a range of factors such as workplace size, presence of trade unions and sector. We therefore undertook a series of regression analyses that enabled us to control for a range of background factors. Those we included were sector, number of employees in the establishment, foreign ownership, region, single or multiple site, age of establishment, the proportion of the workforce that were female, part-time and non-manual, and finally, survey date.

One theme of this paper is to map any change in the focus of personnel management and in particular any trend from industrial relations to human resource practices, so we wanted to focus on some practices that reflected each approach. Since we are also interested in trends over the 25 years of WERS, the number that can be included is strictly limited. Indeed, we had to relax this requirement and include some practices that have only been measured over three surveys. As a result, the practices that we monitor to explore the impact of the presence of specialists and professionals, with the dates of surveys in which they are covered shown in brackets, are:

Industrial relations

- The presence of a trade union representative (1980 – 2004)
- Establishment level bargaining (1980 – 2004)
- A joint consultative committee (1980 – 2004)

Human resource management

- Employee share ownership (1980 – 2004)
- Profit-related pay (1984 – 2004)
- Information provision (1984 – 2004)
- Briefing groups (1984 – 2004)
- Problem-solving groups (1990 – 2004)

We recognise that this is a limited list of practices and that recent WERS have included a larger number of human resource practices. However our aim was to monitor trends over the years of the WERS surveys and this list of practices should be sufficient to identify any significant influence of a personnel specialist and professionally qualified manager.

While accepting that these sets of what we have labelled ‘industrial relations’ and ‘human resource’ practices are incomplete, we undertook factor analyses to determine to what extent they combined in a coherent way. We found that there were two distinct factors. However they did not work well as scales, having alpha values of 0.48 and 0.49 respectively. Nevertheless, we followed the practice in many studies of human resource management and performance and obtained scores on the two sets of variables by measuring in each workplace the number that were present to provide a more global score on industrial relations practices and human resource practices.

The influence of a specialist on industrial relations practices.

We look first at the influence of personnel specialists on the three industrial relations practices. The results are summarised in Table 4 which shows the pooled results across the five surveys. For each of the three practices, the first column shows the results for the presence of someone at the workplace with a specialist title while the second shows the results when we compare specialists with a professional qualification with others who spend at least 25 per cent of their time on personnel issues.

Table 4: The influence of a Specialist on Industrial Relations Practices

| | | Presence of Union Representative | | Workplace bargaining | | Joint consultative committee | | Combined measure of IR practices | |
|--------------------------------|----------------|----------------------------------|--------------------|----------------------|--------------------|------------------------------|--------------------|----------------------------------|--------------------|
| | | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) |
| Specialist title (1) | | -0.01 (0.85) | | 0.04 (3.87) ** | | 0.10 (4.44) ** | | 0.13 (4.29) ** | |
| Professional Qualification (2) | | | 0.01 (0.34) | | 0.02 (1.64) | | 0.07 (2.36) * | | 0.09 (2.38) * |
| Union recognition | | 0.65 (39.14) ** | 0.65 (28.39) ** | 0.19 (16.43) ** | 0.20 (12.52) ** | 0.62 (3.53) ** | 0.03 (1.27) | 0.90 (30.80) ** | 0.89 (20.77) ** |
| Sector - manufacturing | | -0.04 (2.05) * | -0.07 (2.82) ** | 0.25 (17.33) ** | 0.29 (14.15) ** | -0.10 (3.65) ** | -0.12 (3.19) ** | 0.11 (3.07) ** | 0.10 (2.03) * |
| Sector - private services | | -0.08 (4.44) ** | -0.08 (3.51) ** | 0.13 (13.07) ** | 0.13 (9.47) ** | -0.13 (6.33) ** | -0.14 (5.16) ** | -0.09 (2.75) ** | -0.09 (2.24) * |
| Size of establishment | 50-99 | 0.05 (4.47) ** | 0.06 (3.24) ** | -0.00 (0.17) | -0.01 (0.56) | 0.09 (5.07) ** | 0.10 (3.51) ** | 0.15 (6.09) ** | 0.15 (4.11) ** |
| | 100-199 | 0.12 (8.40) ** | 0.13 (6.37) ** | 0.02 (2.44) * | 0.02 (1.33) | 0.18 (8.53) ** | 0.22 (7.34) ** | 0.32 (11.37) ** | 0.37 (8.88) ** |
| | 200-499 | 0.21 (12.61) ** | 0.21 (9.72) ** | 0.07 (5.07) ** | 0.08 (4.60) ** | 0.29 (11.51) ** | 0.33 (10.55) ** | 0.57 (16.55) ** | 0.63 (14.16) ** |
| | 500+ | 0.23 (12.00) ** | 0.23 (9.30) ** | 0.11 (7.19) ** | 0.12 (6.09) ** | 0.35 (12.36) ** | 0.39 (11.90) ** | 0.70 (17.87) ** | 0.74 (15.17) ** |
| Foreign ownership | 0.01 (0.89) | 0.00 (0.07) | 0.06 (4.30) ** | 0.05 (2.64) ** | -0.04 (1.29) | -0.06 (1.47) | 0.04 (1.06) | -0.01 (0.21) | |
| Single establishment | 0.00 (0.20) | 0.01 (0.48) | 0.04 (3.95) ** | 0.06 (3.52) ** | -0.06 (3.54) ** | -0.08 (3.17) ** | -0.02 (0.80) | -0.02 (0.47) | |
| Age of establishment | < 5 years | -0.00 (0.29) | 0.03 (1.56) | 0.00 (0.34) | -0.00 (0.18) | -0.01 (0.43) | -0.05 (1.63) | -0.01 (0.37) | -0.02 (0.43) |
| | 5 - 9 years | -0.12 (1.15) | -0.01 (0.35) | -0.00 (0.29) | 0.01 (0.81) | -0.00 (0.08) | 0.02 (0.44) | -0.02 (0.64) | 0.02 (0.41) |
| Proportion of women | | -0.10 (4.06) ** | -0.12 (3.47) ** | -0.01 (0.93) | -0.01 (0.64) | 0.00 (0.01) | -0.07 (1.24) | -0.11 (2.38) * | -0.20 (2.84) ** |
| Proportion of part-time | | -0.51 (1.82) | -0.05 (1.41) | 0.01 (0.77) | -0.01 (0.83) | -0.02 (0.57) | -0.02 (0.41) | -0.07 (1.20) | -0.10 (1.18) |
| Proportion of non-manual | | 0.01 (0.40) | -0.01 (0.42) | -0.00 (0.29) | -0.01 (0.82) | 0.04 (1.48) | 0.03 (0.81) | 0.04 (1.27) | 0.00 (0.12) |
| WERS 1984 | | 0.03 (2.07) * | 0.06 (2.46) * | -0.01 (1.07) | -0.03 (1.45) | -0.00 (0.11) | -0.01 (0.21) | 0.02 (0.70) | 0.03 (0.59) |
| WERS 1990 | | -0.03 (1.98) * | -0.01 (0.37) | -0.01 (0.54) | -0.01 (0.47) | -0.03 (1.35) | -0.06 (1.68) | -0.07 (2.15) * | -0.07 (1.53) |
| WERS 1998 | | -0.08 (4.66) ** | -0.07 (2.95) ** | -0.03 (2.79) ** | -0.03 (1.69) | -0.02 (0.86) | -0.04 (1.11) | -0.12 (3.98) ** | -0.14 (2.89) ** |
| WERS 2004 | | -0.08 (4.09) ** | -0.07 (2.80) ** | -0.02 (2.49) * | -0.02 (1.34) | -0.06 (2.65) ** | -0.05 (1.26) | -0.16 (4.94) ** | -0.14 (2.84) ** |
| Constant | | 0.11 (4.40) ** | 0.12 (3.43) ** | -0.17 (10.62) ** | -0.15 (6.69) ** | 0.28 (8.45) ** | 0.37 (7.12) ** | 0.23 (4.71) ** | 0.34 (4.77) ** |
| Observations | | 7676 | 4867 | 7676 | 4867 | 7665 | 4863 | 7676 | 4867 |
| Adjusted r ² | | 0.62 | 0.65 | 0.24 | 0.28 | 0.13 | 0.15 | 0.50 | 0.52 |

Reference categories are public sector for sector; 25-49 employees for size; 10+ years for age; WERS 1980 for the surveys. Region was included in the regressions and is sometimes significant but is not included in the table. OLS regressions weighted with establishment survey weights.

* = significant at <.05; ** = significant at <.01

The presence of a personnel specialist has no significant association with presence of a workplace union representative but it is associated with bargaining at workplace level and with a workplace joint consultative committee. Separate year regressions (not shown but available on request) show that the association with workplace bargaining is significant in the 1980, 1984 and 1998 but not the other survey years and there is no clear trend. The association between a personnel specialist and the

presence of a joint consultative committee is significant in 1998 and 2004 and the coefficient has risen over time implying that the presence of a specialist has an increasingly important influence. Being a specialist with professional qualifications has less impact. Among those spending at least one-quarter of their time on employment relations matters, the only association with being a qualified specialist is with the greater likelihood of the presence of a joint consultative committee in the pooled data but this association is not significant in any specific year.

The analysis of the trend over the years shows that the presence of a union representative increased between 1980 and 1984 but has been declining steadily since then. Workplace bargaining has been following a similar trend although the decline only became significant in 1998 and 2004. The presence of a joint consultative committee has tended to decline marginally over the years but this decline has become more marked and reaches significance in 2004. This is somewhat surprising in the light of the impending legal requirement to institute consultative arrangements with employees. It is notable that the association between the presence of JCC's and personnel specialists has strengthened over time perhaps reflecting greater awareness in 2004 of the impending legislation in workplaces with in-house employment relations expertise.

To gain a more coherent picture of the association between the presence of a personnel specialist and traditional industrial relations practices, we combined the three measures by simply counting how many were present in each workplace. This revealed that 50 per cent had none of them, 31 per cent had one, 17 per cent had two and only 3 per cent had all three. Using this measure, the pooled results, summarised in the right hand columns of Table 4, show a significant positive association between the presence of both a personnel specialist and a professionally qualified specialist and the greater use of these practices. In the case of a personnel specialist, this can be largely accounted for by the stronger and statistically significant association in the 1998 and 2004 surveys. For the professional specialists, the association is consistently positive in each year but only statistically significant in the pooled years regression. These results should be viewed against a backdrop of a steady decline in the use of these practices in successive surveys: relative to 1980, the probability of scoring an additional point on the (0,3) scale falls by 6 percentage points between

1980 and 1990, by 12 percentage points between 1980 and 1998, and by 16 percentage points between 1980 and 2004. The pattern noted above for the whole economy is closely mirrored when the analysis is restricted to the trading sector.

The influence of a specialist on human resource practices

The influence of a personnel specialist on the adoption of what we have defined as human resource practices is shown in two separate tables. Table 5 shows the results for practices that apply to the whole economy while Table 6 shows results restricted to the trading sector since they are concerned with aspects of profit-sharing and employee share-ownership that can only occur in this sector.

Table 5 addresses briefing groups, problem-solving groups and information sharing. Briefing groups are defined as regular meetings that occur at least monthly between line managers and the workers for whom they are responsible. Problem-solving groups are defined as groups that solve specific problems or discuss aspects of performance or quality. Information sharing occurs when management distributes information on investment plans, the financial position of the establishment, and on staffing plans. They are not particularly novel practices but they are commonly found in lists of human resource practices (see, for example, Appelbaum et al, 2000) and serve to represent such practices. If specialists are more likely to adopt human resource practices in general, then we might expect them to do so in the case of these practices.

Table 5: The influence of a Specialist on Human Resource Practices

| | | Briefing Groups | | Problem Solving Groups | | Information Provision | |
|--------------------------------|-------------|--------------------|--------------------|------------------------|-------------------|-----------------------|--------------------|
| | | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) |
| Specialist title (1) | | -0.01 (0.63) | | -0.08 (3.17) ** | | -0.00 (0.05) | |
| Professional Qualification (2) | | | -0.00 (0.00) | | -0.04 (1.10) | | 0.06 (0.90) |
| Union recognition | | 0.07 (3.15) ** | 0.08 (2.54) * | 0.02 (0.88) | 0.06 (1.69) | 0.34 (6.78) ** | 0.38 (6.00) ** |
| Sector - manufacturing | | -0.13 (3.74) ** | -0.06 (1.46) | 0.01 (0.32) | 0.09 (1.59) | 0.10 (1.28) | 0.14 (1.52) |
| Sector - private services | | -0.04 (1.60) | -0.00 (0.07) | -0.06 (1.97) * | -0.02 (0.53) | -0.02 (0.40) | 0.05 (0.78) |
| Size of establishment | 50-99 | 0.04 (1.80) | 0.03 (1.06) | 0.01 (0.33) | 0.02 (0.56) | 0.13 (2.72) ** | 0.07 (1.05) |
| | 100-199 | 0.06 (2.67) ** | 0.05 (1.49) | 0.09 (3.03) ** | 0.06 (1.46) | 0.10 (1.79) | -0.03 (0.45) |
| | 200-499 | 0.08 (2.92) ** | 0.04 (1.29) | 0.14 (4.51) ** | 0.07 (1.82) | 0.18 (3.01) ** | 0.09 (1.19) |
| | 500+ | 0.10 (3.34) ** | 0.07 (1.98) * | 0.22 (6.42) ** | 0.15 (3.60) ** | 0.38 (5.84) ** | 0.30 (4.19) ** |
| Foreign ownership | | -0.03 (0.79) | -0.04 (0.82) | 0.03 (0.78) | 0.06 (1.17) | -0.04 (0.44) | -0.13 (1.14) |
| Single establishment | | -0.06 (2.48) * | -0.07 (1.90) | -0.08 (2.95) ** | -0.07 (1.76) | -0.44 (7.76) ** | -0.43 (5.55) ** |
| Age of establishment | < 5 years | 0.04 (1.02) | 0.07 (1.27) | -0.03 (0.75) | -0.05 (1.10) | 0.03 (0.37) | 0.10 (1.01) |
| | 5 - 9 years | 0.05 (1.58) | 0.05 (1.17) | -0.04 (1.22) | -0.07 (1.52) | -0.05 (0.77) | -0.11 (1.26) |
| Proportion of women | | 0.18 (3.86) ** | 0.11 (1.82) | 0.17 (3.25) ** | 0.23 (3.46) ** | -0.01 (0.07) | -0.15 (1.25) |
| Proportion of part-time | | -0.04 (0.78) | -0.06 (0.87) | -0.13 (2.31) * | -0.11 (1.47) | 0.28 (2.46) * | 0.35 (2.46) * |
| Proportion of non-manual | | 0.02 (0.60) | 0.02 (0.43) | 0.09 (2.33) * | 0.08 (1.72) | 0.34 (4.91) ** | 0.29 (3.40) ** |
| WERS 1990 | | 0.11 (4.15) ** | 0.16 (4.36) ** | | | 0.18 (3.11) ** | 0.27 (3.72) ** |
| WERS 1998 | | 0.17 (6.26) ** | 0.12 (3.13) ** | 0.10 (3.62) ** | 0.02 (0.54) | 0.47 (8.14) ** | 0.48 (6.51) ** |
| WERS 2004 | | 0.38 (14.37) ** | 0.38 (11.32) ** | -0.00 (0.16) | -0.07 (1.91) | 0.47 (8.05) ** | 0.51 (7.03) ** |
| Constant | | 0.30 (6.43) ** | 0.31 (4.85) ** | 0.30 (5.68) ** | 0.27 (3.94) ** | 0.97 (9.95) ** | 1.09 (8.44) ** |
| Observations | | 5907 | 3930 | 4308 | 2805 | 5907 | 3930 |
| Adjusted r ² | | 0.13 | 0.11 | 0.06 | 0.07 | 0.14 | 0.12 |

Reference categories are public sector for sector; 25-49 employees for size; 10+ years for age; WERS 1984 for the surveys for briefing groups and information provision and WERS 1990 for problem solving groups (because they are not present in 1984 data). Region was included in the regressions and is sometimes significant but is not included in the table. Information provision is based on management provision of information on investment plans, financial position of the workplace and staffing plans. OLS regressions weighted with establishment survey weights.

* = significant at <.05; ** = significant at <.01

Table 5 shows almost no significant influence of personnel specialists or those with professional qualifications on the adoption of each of these practices. The only significant results show that personnel specialists are less likely to be associated with the adoption of problem-solving groups. Closer inspection reveals that the presence

of a personnel specialist was negatively associated with the use of problem-solving groups in each of the three surveys where this question was included and was significantly negative in 1998. For those specialists with professional qualifications, it was significantly negative in 1990 but had shifted to becoming a marginally positive association by 2004. However neither set of results suggests that specialists are at the forefront of innovation in human resource practices. Separate year regressions for the use of briefing groups also show a small and statistically insignificant negative sign in each year for both measures of specialism with the exception of 1990 when the sign becomes positive. Finally, with respect to information provision, the general pattern for both specialist roles and specialist qualifications reveals small positive associations in each year except 1998 when in the case of personnel specialists, it is significantly negative and for those with specialist qualifications it is marginally negative. In summary, there is no evidence that personnel specialists in general or those with professional qualifications set the trend with respect to human resource practices. If anything, in a context where use of these practices has been growing over the years – as indicated by the trends in the survey year coefficients in the pooled regressions - the workplaces in which they are present tend to lag behind in adopting them.

Practices associated with financial participation can only be considered in the context of the trading sector. The relevant findings for profit-related pay and employee share ownership are shown in Table 6.

Table 6: The influence of a Specialist on Human Resource Practices (Private trading sector only)

| | | Profit-Related Pay | | Employee Share Ownership | | Combined Measure of HR Practices | |
|--------------------------------|-------------|--------------------|--------------------|--------------------------|--------------------|----------------------------------|--------------------|
| | | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) |
| Specialist title (1) | | -0.05 (1.52) | | 0.03 (1.17) | | -0.00 (0.05) | |
| Professional Qualification (2) | | | -0.01 (0.44) | | 0.05 (1.67) | | 0.10 (1.55) |
| Union recognition | | 0.00 (0.12) | -0.04 (1.43) | 0.11 (5.95) ** | 0.11 (3.82) ** | 0.23 (5.39) ** | 0.16 (3.00) ** |
| Sector - private manufacturing | | -0.01 (0.34) | -0.04 (1.08) | -0.02 (1.05) | -0.08 (2.81) ** | -0.08 (1.63) | -0.11 (1.59) |
| Size of establishment | 50-99 | 0.04 (1.38) | 0.04 (1.00) | 0.02 (1.31) | 0.01 (0.45) | 0.16 (3.46) ** | 0.06 (0.95) |
| | 100-199 | 0.07 (2.40) * | 0.06 (1.64) | 0.03 (1.55) | 0.04 (1.23) | 0.24 (4.58) * | 0.13 (1.96) |
| | 200-499 | 0.09 (2.57) * | 0.11 (2.68) ** | 0.12 (4.35) ** | 0.13 (3.68) ** | 0.37 (6.15) ** | 0.26 (3.75) ** |
| | 500+ | 0.11 (2.86) ** | 0.12 (3.00) ** | 0.11 (3.47) ** | 0.13 (3.42) ** | 0.56 (8.10) ** | 0.47 (6.28) ** |
| Foreign ownership | | -0.04 (1.06) | -0.05 (1.17) | -0.11 (3.65) ** | -0.09 (2.17) * | -0.17 (2.45) * | -0.20 (2.49) * |
| Single establishment | | -0.18 (6.67) ** | -0.20 (5.34) ** | -0.25 (14.55) ** | -0.24 (9.48) ** | -0.44 (9.94) ** | -0.52 (7.87) ** |
| Age of establishment | < 5 years | -0.02 (0.43) | 0.02 (0.32) | -0.00 (0.01) | 0.01 (0.29) | 0.11 (1.78) | 0.25 (2.69) ** |
| | 5 - 9 years | 0.03 (0.79) | 0.05 (1.08) | -0.01 (0.31) | -0.01 (0.44) | 0.13 (2.20) * | 0.13 (1.63) |
| Proportion of women | | -0.14 (2.49) * | -0.24 (3.35) ** | -0.07 (1.99) * | -0.15 (2.84) ** | 0.02 (0.25) | -0.23 (1.94) |
| Proportion of part-time | | -0.04 (0.63) | 0.07 (0.83) | 0.15 (3.29) ** | 0.21 (3.15) ** | -0.07 (0.66) | 0.07 (0.57) |
| Proportion of non-manual | | 0.22 (5.61) ** | 0.16 (3.31) ** | 0.19 (6.72) ** | 0.19 (4.70) ** | 0.38 (5.65) ** | 0.27 (3.29) ** |
| WERS 1984 | | | | 0.07 (3.49) ** | 0.08 (2.37) * | | |
| WERS 1990 | | 0.25 (8.97) ** | 0.27 (6.98) ** | 0.15 (6.92) ** | 0.21 (5.47) ** | 0.39 (7.22) ** | 0.50 (6.61) ** |
| WERS 1998 | | 0.30 (10.08) ** | 0.31 (7.81) ** | 0.13 (5.29) ** | 0.14 (3.78) ** | 0.54 (10.38) ** | 0.50 (6.60) ** |
| WERS 2004 | | 0.28 (8.83) ** | 0.29 (7.59) ** | 0.16 (5.95) ** | 0.17 (4.58) ** | 0.83 (14.69) ** | 0.84 (11.64) ** |
| Constant | | 0.20 (4.63) ** | 0.23 (3.82) ** | 0.07 (2.42) * | 0.11 (2.10) * | 0.60 (7.61) ** | 0.81 (7.16) ** |
| Observations | | 4070 | 2639 | 5273 | 3280 | 4070 | 2369 |
| Adjusted r ² | | 0.13 | 0.14 | 0.18 | 0.17 | 0.23 | 0.23 |

Reference categories are private services for sector; 25-49 employees for size; 10+ years for age; WERS 1980 for the surveys but note that the question about profit-related pay was not asked in 1980 so the reference category becomes 1984. Region was included in the regressions and is sometimes significant but is not included in the table. The measure of profit-related pay includes deferred schemes for 1984 - 1998 but not in 2004. OLS regressions weighted with establishment survey weights.

* = significant at <.05; ** = significant at <.01

The results in Table 6 confirm the pattern noted for the other practices. There is no significant association between either indicator of personnel specialists and the uptake of either form of financial participation. This is despite a big growth in the use of employee share ownership between 1980 and 1990, after which there was less change and a big growth in use of profit-related pay between 1984, when data about this were

first collected and 1998, followed by a levelling off. Closer inspection of the results for separate years reveals that the association between profit-related pay and the two measures of personnel specialist is always negative but non-significant, except for the single case of qualified specialists in 1998 when the sign becomes positive before reverting to negative in 2004. In contrast, the signs for employee share ownership are positive in each year and are significantly positive in 1990 for both measures of personnel specialism. However, once again, the pattern is somewhat inconsistent with a small negative association for the specialist role in 1990 and for the qualified specialist in 1984.

To obtain a more general picture of the role of personnel specialists in the adoption of human resource practices, we combined the four human resource management practices available since 1984 (share ownership, profit sharing, information provision, and briefing groups) into a single measure for workplaces in the trading sector. The count variable runs from zero to three, with workplaces scoring each time they have: a briefing group, all three types of information provision, either profit-sharing or share-ownership. The results are shown in the right hand columns of Table 6. There is no statistically significant association between the HRM count and the presence of a personnel specialist, except in 1998 when there is a negative association. In the case of the qualified specialists, there is no significant association except in 1990 when it is positive. The very limited influence of personnel specialists should be viewed against a backdrop of the steadily increasing adoption of these practices over the years in which the surveys were conducted.

Summary: Personnel Specialists and Personnel Practices

The results outlined above are almost the opposite of those we expected to find. While the analysis of the trend over successive WERS surveys confirms the decline in the use of industrial relations practices, where a personnel specialist is present, these practices are more likely to persist. Within the specialist personnel population, this tendency is slightly stronger where there is a qualified specialist. How are we to explain this? It is possible that organization size plays a part, although we controlled for size of establishment and multi- versus single-site organizations in the regressions. It is also possible that personnel specialists are associated with the formalisation of

policy and practice and then help to maintain formal practices such as workplace bargaining and consultation.

The findings from this analysis of successive WERS surveys confirm the decline in industrial relations practices and the growth of human resource practices. However, contrary to expectations, personnel specialists, including qualified specialists are not in the vanguard of human resource innovations. If anything, they tend to lag slightly behind the general trend. There is no basis in these results on which to claim that they are ‘human resource champions’ (Ulrich, 1997). Furthermore, they are much more likely to be associated with the maintenance of traditional industrial relations arrangements. Some years ago, Legge (1978) argued that if personnel managers were to gain power and influence they had to become either ‘conformist innovators’ or ‘deviant innovators’. Evidence from WERS suggests that they are neither; instead, they are traditionalists, associated with the maintenance of industrial relations practices, perhaps wary of taking a lead in the adoption of human resource practices.

The rather traditional stance of personnel specialists is understandable if it is associated with higher performance. But much of the recent debate and research about human resource management and performance (Boselie et al, 2005; Combs et al, 2006) has confirmed an association between the adoption of more of what we have termed human resource practices and organisational performance. However, the earlier analyses suggest that trade union recognition is associated with the adoption of human resource practices and it is possible that maintenance of traditional industrial relations practices also contributes to this (Bryson, Forth and Kirby, 2005). The next section therefore looks for any association between the presence of a personnel specialist or a professionally qualified specialist and workplace performance, taking into account the presence of various personnel practices.

Personnel Specialists and Workplace Performance

Is the presence of a personnel specialist associated with better workplace performance? Given the evidence for an association between HR practices and firm performance (Boselie, et al, 2005; Combs et al, 2006), it is plausible, despite some of the findings in the previous section, to assume that the presence of specialists who

have some responsibility for these practices may also be associated with superior workplace performance. This section sets out to answer the question by analysing two sets of outcome measures. The first, which can be reasonably objectively assessed and which potentially apply to all workplaces, concern levels of labour turnover and the incidence of industrial conflict. While there may be cases in which organisations seek a higher than normal level of labour turnover, we are assuming in the present context that a lower level of staff turnover is a positive outcome. We are making the same assumption in the case of industrial conflict. The next three outcomes are based on ratings by the respondent of the employment relations climate and of comparative levels of productivity and financial performance. These are standard questions that have been asked in several of the WERS surveys. They are subject to a positive skew and are also likely to suffer from common method variance in so far as the same respondent is providing information about both the independent and dependent variables (Spector, 2006; Wright et al, 2001). There is also an on-going and as yet not fully resolved debate about how closely these subjective ratings provide an accurate reflection of actual performance (See Wall et al, 2004 and Chapter 10 in Kersley et al, 2006). However if we assume that the error randomises out and the skew is reasonably consistent, then these ratings still provide a potentially useful way of assessing any link between personnel specialists and workplace performance. In what follows we restrict the analyses to workplaces in the private trading sector. It should be borne in mind that the first column in each of the tables explores the impact of a specialist personnel role using the full sample of workplaces while the second column, focusing on the impact of a qualified specialist, is restricted to workplaces that have a manager spending at least 25 per cent of their time on employment relations matters. We refer to these as samples 1 and 2 respectively.

Labour turnover and industrial conflict

The results for the first two items, covering labour turnover and industrial conflict, are presented in Table 7. Labour turnover is measured using a banded variable where 1 = low (5% or less), 2 = middling (5-13%) and 3 = high (more than 13%). Industrial conflict is a (0,1) outcome with workplaces scoring '1' where they report some form of industrial action in the past 12 months. The survey date coefficients in the pooled regressions indicate no consistent trend in labour turnover over the period. In contrast, the incidence of industrial conflict has declined since 1984, although the

main decline was between 1984 and 1990 and since then the levels of conflict have remained fairly stable and very low. There is no significant association between either the presence of a personnel specialist or a qualified specialist and lower labour turnover or industrial conflict. We also ran the analysis using a continuous measure of labour turnover, excluding those with annual turnover above 110 per cent, and again found no significant associations.^{iv}

For these analyses, we used the two combined measures of traditional industrial relations and more contemporary human resource practices to explore the more conventional analysis linking practices and performance. We also conducted a separate analysis looking at each individual practice. In general, greater use of traditional industrial relations practices is not significantly associated with levels of labour turnover. However, the presence of a union representative at the workplace is significantly associated with lower labour turnover in the pooled data and specifically in 2004. This is over and above the negative association with union recognition, also shown in Table 7, which is a standard finding in the literature (Freeman and Medoff, 1984). The presence of more industrial relations practices is associated with higher levels of industrial conflict but it is only significant when we examine the pooled data across the surveys and in 1998. Among the industrial relations practices, the presence of establishment bargaining is significantly associated with more industrial conflict, both in the pooled data and in 1990, even having accounted for the positive effect of union recognition.

In the private trading sector as a whole (sample 1) the greater use of human resource practices is not associated with labour turnover or industrial conflict. However, the results are different among the sub-sample of workplaces with managers spending at least one-quarter of their time on employment relations (sample 2). In this sub-sample the greater use of human resource practices is associated with lower labour turnover and higher incidence of industrial conflict. The pattern of association between more HR practices and lower labour turnover is consistent across the surveys

**Table 7: The Association Between Personnel Specialists and Workplace Performance
(Private trading sector)**

| | | Labour Turnover | | Industrial Conflict | |
|--------------------------------|-----------|--------------------|--------------------|---------------------|--------------------|
| | | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) |
| Specialist title (1) | | 0.07 (1.25) | | 0.00 (0.28) | |
| Professional Qualification (2) | | | 0.08 (1.24) | | 0.01 (1.21) |
| Industrial relations practices | | -0.08 (1.81) | -0.08 (1.77) | 0.03 (3.45) ** | 0.03 (2.13) ** |
| Human resource practices | | -0.02 (1.00) | -0.09 (2.83) ** | 0.01 (1.80) | 0.02 (2.61) ** |
| Union recognition | | -0.26 (4.01) ** | -0.30 (3.83) ** | 0.05 (3.39) ** | 0.05 (2.41) * |
| Sector - manufacturing | | -0.15 (2.31) * | -0.13 (1.60) | 0.02 (1.60) | 0.02 (1.31) |
| Size of establishment | 50-99 | 0.01 (0.12) | 0.00 (0.05) | 0.01 (1.12) | -0.00 (0.35) |
| | 100-199 | 0.21 (3.83) ** | 0.23 (3.17) ** | 0.02 (1.85) | 0.03 (1.84) |
| | 200-499 | 0.12 (1.68) | 0.13 (1.62) | 0.03 (2.24) * | 0.03 (1.37) |
| | 500+ | 0.08 (0.99) | 0.15 (1.80) | 0.11 (5.63) ** | 0.10 (4.11) ** |
| Foreign ownership | | 0.05 (0.81) | -0.01 (0.17) | -0.01 (0.78) | -0.01 (0.67) |
| Single establishment | | -0.07 (1.21) | -0.08 (0.97) | -0.01 (1.19) | -0.01 (0.57) |
| Age of establishment | < 5 years | 0.14 (1.70) | 0.21 (2.57) * | 0.00 (0.21) | 0.01 (0.47) |
| | 5-9 years | 0.12 (1.93) | 0.13 (1.45) | 0.01 (0.69) | 0.03 (1.38) |
| Proportion of women | | 0.32 (2.99) ** | 0.25 (1.77) | -0.02 (1.42) | -0.05 (2.09) * |
| Proportion of part-time | | 0.27 (2.47) * | 0.38 (2.68) ** | -0.02 (1.78) | 0.00 (0.02) |
| Proportion of non-manual | | -0.13 (1.69) | -0.07 (0.74) | -0.01 (1.20) | -0.02 (1.29) |
| WERS 1990 | | | | -0.04 (3.45) ** | -0.07 (3.46) ** |
| WERS 1998 | | 0.11 (1.96) * | -0.01 (0.11) | -0.07 (6.61) ** | -0.12 (7.15) ** |
| WERS 2004 | | -0.01 (0.24) | -0.03 (0.43) | -0.06 (4.31) ** | -0.11 (5.71) ** |
| Constant | | 2.21 (23.55) ** | 2.36 (16.37) ** | 0.05 (3.35) ** | 0.82 (3.24) ** |
| Observations | | 2849 | 1817 | 4039 | 2622 |
| Adjusted r ² | | 0.12 | 0.16 | 0.12 | 0.16 |

Reference categories are private services for sector; 25-49 employees for size; 10+ years for age; WERS 1980 for the surveys. Region was included in the regressions and is sometimes significant but is not included in the table. The reference category for survey years is 1984 for industrial conflict and 1990 for labour turnover reflecting the survey years in which relevant data were first collected. OLS regressions weighted with establishment survey weights were used.

* = significant at <.05; ** = significant at <.01

and is strong and significant in 2004. The significant association between human resource practices and incidence of industrial conflict, while significant in the pooled analysis, is attributable mainly to the results for 1984 and 1990 and the association has all but disappeared in the two more recent surveys. Among the specific practices, the provision of more information is associated both with lower labour turnover and with more industrial conflict in the pooled data in samples 1 and 2.

This initial analysis of outcomes indicates that practices are more strongly associated with turnover and conflict than the presence of a personnel specialist. The previous analysis showed that personnel specialists appeared to have had very little influence on the presence of human resource practices, but were associated with the continuing presence of traditional industrial relations practices. It is possible in the case of these practices that they mediate the influence of specialists with respect to higher industrial conflict; but we can conclude that there is no mediating process in operation with respect to human resource practices.

Personnel specialists and ratings of employment relations climate, productivity and financial performance

Neither the presence of a specialist personnel role nor the presence of a qualified personnel specialist is associated with the climate of employment relations at the workplace. There is also no association between the traditional and human resource sets of practices and employment relations climate, although the positive association between human resource practices and employment relations climate is close to significance in the pooled data and is significant for 1998 in sample 2. The only individual practice that is significant in the pooled data is the provision of information which is associated with a more positive employment relations climate^v. It is notable that the ratings of the employment relations climate appear to have deteriorated since 1984 and notably between 1984 and 1990 but have been stable since 1990.

Table 8: The Association Between Personnel Specialists and Workplace Performance (Private trading sector)

| | | Employment Relations Climate | | Labour Productivity | | Financial Performance | |
|--------------------------------|-------------|------------------------------|--------------------|---------------------|--------------------|-----------------------|--------------------|
| | | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) | Pooled (1) | Pooled (2) |
| Specialist title (1) | | -0.05 (1.27) | | -0.09 (1.89) | | -0.08 (1.75) | |
| Professional Qualification (2) | | | -0.06 (1.17) | | -0.12 (1.95) | | -0.10 (1.67) |
| Industrial relations practices | | -0.01 (0.44) | -0.04 (1.23) | 0.00 (0.11) | -0.04 (1.06) | 0.00 (0.13) | -0.02 (0.51) |
| Human resource practices | | 0.01 (0.69) | 0.05 (1.91) | 0.03 (1.84) | 0.06 (2.64) ** | 0.04 (2.55) * | 0.05 (2.28) * |
| Union recognition | | -0.01 (0.29) | 0.08 (1.49) | -0.08 (1.48) | 0.02 (0.33) | -0.11 (2.36) * | -0.10 (1.67) |
| Sector - manufacturing | | -0.05 (1.42) | 0.03 (0.54) | -0.08 (1.55) | -0.14 (2.00) * | -0.06 (1.39) | -0.11 (2.00) * |
| Size of establishment | 50-99 | -0.04 (1.33) | -0.08 (1.53) | 0.04 (0.95) | 0.06 (1.05) | 0.08 (2.14) * | 0.09 (1.57) |
| | 100-199 | -0.12 (3.09) ** | -0.16 (2.98) ** | 0.05 (1.06) | 0.10 (1.44) | 0.09 (1.98) * | 0.13 (2.21) * |
| | 200-499 | -0.18 (3.78) ** | -0.27 (4.55) ** | 0.06 (1.10) | 0.09 (1.30) | 0.13 (2.36) * | 0.15 (2.22) * |
| | 500+ | -0.13 (2.35) * | -0.20 (3.15) ** | 0.11 (1.77) | 0.17 (2.17) * | 0.18 (2.91) ** | 0.19 (2.60) ** |
| Foreign ownership | | -0.00 (0.00) | -0.03 (0.52) | -0.03 (0.44) | -0.01 (0.12) | -0.02 (0.35) | -0.12 (1.68) |
| Single establishment | | 0.10 (3.06) ** | 0.10 (2.12) * | 0.09 (2.16) * | 0.10 (1.53) | 0.01 (0.31) | -0.03 (0.56) |
| Age of establishment | 5 years | 0.13 (2.81) ** | 0.14 (2.43) * | 0.03 (0.39) | 0.02 (0.21) | 0.04 (0.68) | -0.03 (0.40) |
| | 5 - 9 years | -0.05 (1.18) | -0.08 (1.25) | 0.07 (1.44) | 0.08 (1.30) | 0.05 (1.11) | 0.04 (0.64) |
| Proportion of women | | 0.17 (2.62) ** | 0.15 (1.75) | 0.01 (0.09) | 0.08 (0.72) | -0.01 (0.10) | -0.02 (0.19) |
| Proportion of part-time | | 0.09 (1.22) | 0.17 (1.74) | -0.10 (1.04) | -0.09 (0.78) | -0.08 (0.80) | -0.16 (1.28) |
| Proportion of non-manual | | -0.02 (0.52) | -0.05 (0.84) | 0.08 (1.38) | -0.07 (1.04) | 0.11 (2.12) * | -0.00 (0.01) |
| WERS 1990 | | -0.13 (3.36) ** | -0.14 (2.60) ** | | | 0.02 (0.58) | -0.06 (1.00) |
| WERS 1998 | | -0.12 (2.97) ** | -0.13 (2.13) * | 0.02 (0.40) | 0.08 (1.23) | 0.07 (1.45) | -0.01 (0.24) |
| WERS 2004 | | -0.11 (2.47) * | -0.13 (2.29) * | 0.05 (1.00) | 0.07 (1.10) | 0.01 (0.16) | 0.01 (0.20) |
| Constant | | 2.32 (43.24) ** | 2.28 (28.35) ** | 2.32 (30.41) ** | 2.22 (19.79) ** | 2.36 (36.14) ** | 2.53 (29.11) ** |
| Observations | | 4057 | 2629 | 2627 | 1684 | 3491 | 2264 |
| Adjusted r ² | | 0.06 | 0.09 | 0.03 | 0.05 | 0.04 | 0.05 |

Managers are asked to rate the relationship between management and employees on a five-point ordinal scale from 'very good' to 'very poor'. The analysis collapses this scale, distinguishing between workplaces with 'very good/good', 'neither good nor poor' and 'poor/very poor' relations.

Managers are asked to rate labour productivity and financial performance at their establishment 'compared with other establishments in the same industry' on a five-point ordinal scale running from 'a lot better than average' to 'a lot below average'. These scales are collapsed to distinguish between 'above average', 'average' and 'below average'.

Reference categories are private services for sector; 25-49 employees for size; 10+ years for age; For climate and performance WERS 1984 is the reference for the survey years but it is WERS 1990 for productivity due to the absence of productivity data in 1984. Region was included in the regressions and is sometimes significant but is not included in the table. OLS regressions weighted with establishment survey weights were used.

* = significant at <.05; ** = significant at <.01

The association between the two personnel specialism variables and labour productivity is generally negative but not statistically significant at a 95 percent confidence level.^{vi} There is a positive association between the combined measure of human resource practices and labour productivity: in sample 2 it is significant in the pooled regression and the separate regressions for 1990 and 1998 while in sample 1 it is close to significance in the pooled regression and significant in the 1990 regression.

The final outcome measure, financial performance, is again not significantly associated with either measure of personnel specialism in the pooled data. In the separate year regressions the signs in both cases are negative and in the case of the presence of a personnel specialist, the association is significantly negative in 1990. Industrial relations practices are not associated with financial performance (with the exception of the negative association with union recognition) but there is a significant positive association between the presence of more human resource practices and ratings of comparative financial performance for both samples. This is driven in particular by the use of briefing groups and the measure of financial participation which combines share ownership and profit-related pay. The role of briefing groups is apparent in samples 1 and 2, whereas the significant effect of financial participation is confined to sample 1.

Summary

This set of results is consistent in revealing no positive association between various outcomes and the presence either of personnel specialists or qualified specialists as compared with those who lack such qualifications. Indeed, the general trend suggests that any association is more likely to be negative rather than positive. At the same time, the analysis provides reasonably consistent evidence of an association between the presence of more human resource practices and positive outcomes while any link with the more traditional industrial relations practices is non-significant.

Discussion and conclusions

The evidence from 25 years of the Workplace Employment Relations Surveys shows that a growing number of workplaces have a personnel specialist in place and that an increasing proportion of these specialists have relevant qualifications. Personnel

management is becoming more embedded and more professionalised. It is reasonable to assume that personnel specialists are hired to apply contemporary best practice and thereby, perhaps indirectly, to improve performance. Our analysis fails to support this assumption. Personnel specialists are more likely to be associated with traditional industrial relations practices rather than human resource practices. Yet, on the basis of ratings that they have provided, where more human resource practices are in place, performance is more highly rated. Moreover, where personnel specialists are present, including qualified specialists, performance tends, if anything, to be poorer. This raises challenging questions for the personnel profession. First, however, we need to consider how robust these findings are and to set them in a wider context.

The starting point for the analysis in this paper was an assumption that personnel departments and those who work in them have shifted their main focus over the 25 years of the WERS surveys from industrial relations to human resource management. The 1980s and 1990s were decades in which the importance of effective management of employment relations appeared to receive higher priority, spurred in part by the shift in focus towards human resource management. If in the past, a key element in the role had been to ‘manage’ industrial relations, by the 1980s the focus switched to the need for a more effective management and utilisation of human resources. This coincided with the burgeoning of research on human resource management and performance (for reviews of the evidence, see Boselie et al, 2005, and Combs et al, 2006) and the up-beat call to arms for personnel specialists issued by Ulrich when he invited them to become human resource champions. If this call was ever answered at the corporate level, and there is strong evidence that Ulrich’s work has been highly influential (CIPD, 2007), it does not appear to have filtered down to the workplace. While we have seen a growth in the presence of personnel specialists, and while they have become more qualified, this has not been reflected in any pioneering of new human resource practices. Indeed, if anything, personnel specialists have been bringing up the rear, holding on to the well-established industrial relations practices rather than championing the introduction of human resource management.

The possibility that the main innovations in human resource management have occurred at the corporate level rather than in the workplace is one that needs to be considered. A potential source of evidence about this is the comparison between

single site establishments and those that are part of a larger organisation. Tables 5 and 6 confirm that single establishments are less likely to have put in place each of the human resource practices and are also less likely to operate joint consultative committees. This suggests that being part of a larger organisation does have a positive influence on the use of these practices and the corporate level may be the source of human resource innovations. Nevertheless, even in workplaces that are part of larger organisations, the application of human resource practices does not appear to be enhanced by the presence of workplace personnel specialists.

It is easy to be cynical about the use of different job titles and we have noted the growing dominance of 'human resource' over 'personnel'. It is possible that those with the human resource title are more likely to adopt human resource practices. A question about this title was first used in 1990 but at that time the proportion of workplace specialists using the title was less than one per cent. A fuller analysis can therefore only be conducted for the 1998 and 2004 surveys. The use of title is explored by Kersley et al (2006), building on an earlier study of the 1998 survey by Hoque and Noon (2001), and they found a number of differences. Those using the title of human resource manager tended to have more autonomy and to devolve more to line managers than those titled personnel managers. With respect to their duties and responsibilities, the differences were generally small with the exception of pay and, to some extent, pensions where those with the human resource title were more likely to have responsibility. Taking account of the different backgrounds and qualifications and the differences in autonomy and delegation, Kersley et al (2006) conclude that there are differences of substance and not a mere re-titling of the role.

Although this paper has focussed on personnel managers, it has also provided some further evidence about the association between human resource management and various outcomes. Even using the limited set of HR practices that were collected over a number of the surveys, the analysis supports the general findings of the major reviews (Boselie, Dietz & Boon, 2005; Combs et al, 2006) in revealing an association between the adoption of more HR practices and measures of comparative labour productivity and financial performance. While this is an encouraging finding, we need to bear in mind the limitations of subjective ratings of workplace performance (Forth and McNabb, 2008). On a more salutary note, there is also an association between

more use of HR practices and incidence of industrial conflict, echoing the findings of Fernie, Metcalf and Woodland (1994) who analysed some of the earlier WERS surveys. This finding could be interpreted as lending support to the argument of Ramsay, Scholarios and Harley (2000) that HRM is associated with labour intensification. To explore this more fully would require an analysis of the data on employee attitudes and perceptions which is beyond the scope of this paper.

Those with an interest in employment relations might find something positive in the persisting association between the presence of personnel specialists and some of the features of a more traditional industrial relations. On the other hand, these findings do not fit the image promulgated by the CIPD of a profession at the forefront of innovations in human resource management. Despite Ulrich's encouragement, personnel specialists can not lay claim to be *workplace* human resource champions. Many years ago, Karen Legge (1978) suggested that if personnel managers were to establish themselves as credible players in organisations, they needed to engage in either deviant or conformist innovation. This analysis provides little evidence of either. Instead, workplace personnel specialists are traditionalists who are not to be found in the vanguard of human resource innovation. If anything, the evidence suggests that they are bringing up the rear, their presence associated with traditional employment relations and their time presumably engaged in a range of operational activities. There are indications in the analysis reported by Kersley et al (2006) that some of those adopting the human resource title may be beginning to break out of this mould by devolving certain activities to line managers and by exercising greater autonomy. Finally, while there is evidence of a positive association between the greater adoption of even a limited number of human resource practices and various indicators of performance, this must be set alongside the failure to find any association between the presence of a specialist personnel role or a qualified specialist and indicators of either HR practices or performance. The evidence from 25 years of WERS suggests that those interested in innovations in human resource management and contemporary management practice in the workplace should not look to workplace human resource specialists to provide them.

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Endnotes

ⁱ The multivariate analysis is available from the authors on request.

ⁱⁱ There has been a sudden decline in the employment relations experience of non-specialist managers since 1998: the percentage with at least ten years' experience fell from 67 percent in 1998 to 46 percent in 2004.

ⁱⁱⁱ For a fuller discussion, see Millward, N., Bryson, A. and Forth, J. (2000). *All Change at Work?* London: Routledge. pp. 76-77.

^{iv} The results were the same when we ran similar analyses for the whole economy.

^v In the pooled years regressions information provision is associated with both more industrial conflict and a better employment relations climate. The link to industrial conflict is driven by positive associations in 1984 and 2004, both of which are statistically significant at a 90 percent confidence level. The association with a better employment relations climate is driven by results in 1998. Thus these seemingly conflicting results are partly explained by different effects of information provision in different years. This is not wholly surprising since employers may be inclined to provide more information under two very different scenarios, namely as part of a partnership ethos, or else in response to problems at the workplace.

^{vi} In the pooled years regression the associations are significant at a 94 percent confidence level ($t=1.89$ in sample 1 and $t=1.95$ in sample 2).