ACCOMMODATING HRM IN SMALLER FIRMS:
FROM STRUCTURAL TO FUNCTIONAL EQUIVALENCE

Brian Harney
The Learning, Innovation and Knowledge (LInK) Research Centre
Dublin City University Business School
Dublin 9
Ireland

E-mail: brian.harney@dcu.ie

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RATIONALE

While it is increasingly acknowledged that Human Resource Management is critical to competitive success, debate has rarely extended to encompass smaller firms (Lacoursiere et al., 2008; Tsai, 2009). As an indication, a content review of six employment related journals over a ten-year period (1997-2006) reveals that of the 1,797 articles published only 52 (2.9%) dealt specifically with smaller firms. This marginalisation is all the more intriguing when one considers the global economic and numerical significance of smaller firms. This reality should prompt some scepticism as to the validity of extant theory which takes as its referent HRM interests as they have been articulated in what are atypical (i.e. large) firms. Nonetheless, most studies typically abstain from theoretical reflection and perpetuate a large firm bias by either uncritically deploying established research instruments (e.g. Hayton, 2003) and/or by casting the small firm as lacking or deficient if they fail to meet normative ideals (Taylor, 2005).

The purpose of this paper is to facilitate in addressing this theoretical and empirical imbalance. In particular, by exploring the practices, patterns and determinants of HRM in a sample of Irish small firms the objective is to move beyond mere recognition of the heterogeneity of HRM in smaller firms towards understanding and accommodation. A key contribution of the paper is its exploration of how holistic attempts at capturing the empirical complexities of HRM in smaller firms (cf Harney and Dundon, 2006) can be underpinned by analytical concepts which provide a vehicle for more direct (re)engagement with HRM. Specifically, the paper puts forward the concepts of functional equivalence as one means to better accomplish this task.

METHODOLOGY

The empirical section of the paper begins by drawing from a national descriptive survey to compare HRM in large and smaller organisations. Cognisant of the limitations of ‘surface level’ surveys, especially in a context where informal practices are more likely to prevail, this method is complemented by more context sensitive approaches which could better explore what actors actually do. In particular, guided by an open systems sensitizing framework, exploratory interviews were conducted with ten managers from a diverse range of smaller firms followed by four in-depth organisational case studies. These involved interviews with management and employees in order to provide a rounded picture of HRM in context. In this research depth of analysis stems from exploring not only the nature of HRM adopted
by SMEs, but critically, by considering the structural parameters and internal dynamics that provide an explanation of why HRM takes that form. The meta-theoretical vehicle for this task is one which draws upon critical realism. This allows for emergence, discontinuities, and contingencies by privileging contextual understanding and explanation over prediction (Edwards, 2005; Hesketh and Fleetwood, 2006).

**SUMMARY**

The findings indicate a striking diversity in the nature and form of HRM practices deployed, with informality and emergence as key undertones. Nonetheless, in bringing together structural determinants and internal dynamics broad patterns in how various firms managed HRM can be identified. These lend support to recent attempts to build a model of small firm relationships (Edwards et al., 2006) although they are founded on a notion of coherency and logic that differs from that suggested in the dominant literature. Informality for example, was found to be dynamic, routinised and deployed to meet strategic ends, so that formality and informality are not necessarily antithetical.

In summarising these insights it is suggested that HRM researchers typically falsely conflate specific HR practices with the overall functional necessity of managing people (evident in the determinism of ‘little big business syndrome’, whereby small firm agency gives way to large firm structure). In essence structure and function are collapsed when in practice necessity only rests with the latter. It follows that seeking to capture HRM in smaller firms by exclusive reference to the form it takes i.e. whether rules governing employment are formal or informal (Ram and Edwards, 2009) offers a limited basis for analysis. Instead the findings suggest that in seeking greater explanatory logic for the nature and patterns of HRM across firms, it may be more fruitful to pursue a mode of analysis which disaggregates the management of the employment relationship into key component dimensions. In this respect the concept of functional equivalence may be one means to resolve the theoretical enigma facing researchers attempting to explore HRM in smaller firms as it explicitly recognises the latitude of structural HR options available to firms (Gresov and Drazin, 1997). This argument does find some support. Moule, for example, concluded from his study of small button manufacturers that; “rationality was judged by outcomes rather than organisational theories of best practice” (1998: 652).
References


ADDRESSING THE REPRESENTATION GAP IN MICRO AND SMALL ENTERPRISES: SOME CRITICAL FACTORS

Melisa Serrano and Edlira Xhafa

In an earlier study done by one of the authors, a complexity of factors was identified that influence the representation of workers in micro and small enterprises (MSEs): i) the legal framework; ii) issues of labor law implementation and enforcement; iii) employers’ attitude to unionization; iv) trade union strategies; and v) MSE workers’ willingness to join the union. This paper identifies critical factors and variables that may affect or influence collective representation of workers in micro and small enterprises (MSEs). It attempts to address the question: What organizing themes and strategies would encourage MSE workers to organize?

The results of a survey conducted among MSE workers both unionized and non-unionized in 11 countries were analyzed using SPSS and relevant literature. Twenty five variables for the whole sample, 20 of which are treated as independent variables and five dependent variables which were also treated as independent variables in certain cases were explored and analyzed. The independent variables are grouped into demographic and employment-related variables. The demographic-related variables include gender, educational level and age, whereas the employment-related variables include job length categories, existence of employment contract, formal job training, applicability of skills in other jobs, opportunity to increase skills, safety at work, existence of OHS regulations, negative health effects of work, night work, earn the same amount of money monthly, existence of minimum wage, existence of benefits, worker contributing to social security, employer shouldering the social security contribution, job satisfaction, and problems encountered at work. The dependent variables, which may be grouped as representation variables include: willingness to join a union, heard of a union in the sector, unionized or not, previous attempts to organize, and opportunity for collective action.

Bivariate statistical analyses were undertaken to explore the relationship between the variables. Cross-tabulations were used to explore the significance of relationship between categorical variables. Independent T-test was used to test the relationship between continuous and categorical variables.

1 PhD students in Labour Studies, Department of Labour and Welfare Studies, Graduate School in Social, Economic and Political Sciences, University of Milan, Italy. Email correspondence: melserrano03@yahoo.com, edliira_xh@hotmail.com.

Findings

The findings provide empirical bases to the literature review on MSE representation done earlier by Xhafa. In this earlier study, she highlights two main approaches in addressing the twin issues of representation and protection of MSE workers: (i) state-led approach with the State enacting the laws and regulatory framework and enforcing it, sometimes with the involvement of trade unions; and (ii) a bottom-up approach, which basically comprises actions from the unions and NGOs or other community groups.

Survey results highlight the importance of national legislation to establish, implement and enforce the critical factors addressing representation and organisation of MSE workers identified by the study. These critical factors that require legislative intervention include the following: (1) establishment and/or implementation of formal employment contracts; (2) enhancing job security and protection of union rights especially the right to organise; (3) subsidized and/or affordable social security for MSE workers and provision of support and incentives to MSEs to encourage employee and employer participation in social security programs; and (4) establishment of facilities for skills training and upgrading for MSE workers.

Findings of the study point to several critical representation factors that could serve as entry points or spaces for collective representation and for enhancing MSE workers willingness to organize and/or join a union. These factors are: (1) union action (political, campaigns, legislative initiative, etc.) for the critical factors requiring legislative intervention identified above; (2) inclusion of skills training and upgrading among union services; (3) using safety at work, grievances or problems at work and income security or stability (e.g. minimum wage campaigns) as organizing themes; and (4) establishment and/or strengthening of other forms or structures of organisation to represent MSE workers (territorial structures, community-based organising, workers’ associations, cooperatives, etc). These factors will indeed require creative and innovative imagination, increased union visibility in the MSE sector and stronger role of unions in addressing issues and concerns of MSE workers in particular and the working class and the poor in general.

\[3\] Ibid.
ABSTRACT

Scholarly literature portrays fast food employers as anti-union and inclined towards viewing labour as having a commodity status. Hence, insofar as employment relations is concerned, the expressed attitudes and opinions of industry pioneers such as Ray Kroc and Harlan Sanders are assumed to be ubiquitous amongst modern fast food managers. Although there is evidence that the industry overall formally adopts anti-union/commodity status labour polices, this study presents data suggesting that its middle managers are not necessarily committed to this approach. During the last 20 years, the ideological orientations of leaders in industries including fast food have been widely seen as part of the impetus for public polices of labour-market deregulation and union marginalization. However, at least in the case of Australia, it is concluded here that the views and opinions of middle-ranking fast food managers have been somewhat discordant with the State’s ideology of employment relations.
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Author’s Contact Information

<table>
<thead>
<tr>
<th>Noel M. Cowell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Management Studies</td>
</tr>
<tr>
<td>The University of the West Indies, Mona, Kingston 7, Jamaica W.I.</td>
</tr>
<tr>
<td>Ph: 1-876-977-3808</td>
</tr>
<tr>
<td><a href="mailto:noel.cowell@uwimona.edu.jm">noel.cowell@uwimona.edu.jm</a></td>
</tr>
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Proposed Title: Telework and its implications for Employment Relations in Jamaica

Nature of the Study

The convergence of information and communications technology (ICT) has brought about fundamental changes in the methods of work execution, work location, delivery, and work relationships in many countries. This is also the case in Jamaica, where global technological advances combined with recent ICT policy initiatives have resulted, on the one hand in a dramatic expansion of access to communications technology and perhaps equally dramatic, though largely undocumented, changes in the way in which work and work-related relationships are organised.

Cowell and Dunn (2006) in a study carried out with the support of International Development Research Centre (IDRC) of Canada and The University of the West Indies (UWI) explored stakeholders’ perceptions of the extent to which Caribbean technology infrastructure, labour policy framework and stakeholder attitudes support the growth of telework in Jamaica, Trinidad and Barbados found that telework is in fact being done in the three counties and that it had potentials to expand opportunities for knowledge workers.

While Cowell and Dunn (2007) report that telework is being conducted in Jamaica, there is no clear policy framework to guide and regulate its operation. When conducted without clear policy directives from the state however, telework might carry negative implications for managers/employees, trade unions, conditions of employment in general and worker rights.
Methodological Approach

This mixed methods study utilizes a combination of qualitative and quantitative methodologies to gather and analyze data from primary and secondary sources. Firstly, primary data will be drawn from three (3) sources: (i) the results of a regional study of telework done by Cowell and Dunn (2006); (ii) a survey of a convenience sample of persons deemed to be knowledge workers enrolled at the University of the West Indies, Mona and (iii) in-depth interviews with key stakeholders in the labour market in Jamaica, namely (employers, trade unionists and ministry of labour officials). Finally, textual analysis will be carried out on secondary data drawn from current labour legislation, policies and public discourses relevant to the problem area.

Main lines of analysis to be developed

The paper focuses on two questions: (a) How has the digital revolution transformed work and workplace relations in the Caribbean? (b) What are the implications of these changes for the relevance of contemporary labour policy?