

Universitat de València
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STRATEGIC HUMAN RESOURCE MANAGEMENT

TOPIC 10 RECENT TRENDS IN HUMAN RESOURCE MANAGEMENT

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TOPIC 10. RECENT TRENDS IN HRM

- 10.1. Diversity management
- 10.2. The intra-entrepreneur: Management and commitment
- 10.3. Corporate Social Responsibility: Implications for HRM

References:
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10.1. DIVERSITY MANAGEMENT

Employee diversity

- **Human characteristics that make people different** from one another, including:
 - characteristics a person has little or no control over;
 - characteristics that can be adopted or modified.
- Although workforce diversity must be acknowledged, **stereotyping** (assuming that group averages or tendencies are true for each and every member of the group) should be approached with caution.

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10.1. DIVERSITY MANAGEMENT

Why manage employee diversity?

- To survive and prosper in increasingly heterogeneous societies and complex business environments, organizations must **capitalize on employee diversity as a source of competitive advantage**.
- **Diversity management**: set of activities involved in integrating 'non-traditional' employees (e.g., women, minorities, etc.) into the workforce and using their diversity to the firm's competitive advantage.
- Diversity itself can have a positive, negative, or neutral effect on firm performance. Active diversity *management* should aim at **optimizing the diversity-performance link**.

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10.1. DIVERSITY MANAGEMENT

Potential benefits of diversity management programmes

- **Greater creativity**, considering new ways and less obvious alternatives.
- **Better problem solving**, moving from group-thinking to 'out-of-the-box' thinking.
- **Greater system flexibility**, thanks to more openness to new ideas and greater tolerance and acceptance of changes.
- **Better information input and management of knowledge**, due to the broader variety of sources and experiential backgrounds.
- **Better marketing strategies**, especially in target markets which are increasingly multicultural and multi-ethnic.

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10.1. DIVERSITY MANAGEMENT

Challenges in managing diversity

- Focus on diversity (openness to difference, but stereotyping risk) vs. focus on inclusiveness (integration of 'the others', but brainwashing risk).
- Resistance to change from dominant groups (traditionally 'white males').
- Overcoming segmented (e.g., sex or race-based) communication networks.
- Resentment due to perceived favouritism towards 'non-traditional' employees.
- Overcoming the 'glass ceiling' when making promotion decisions.

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10.1. DIVERSITY MANAGEMENT

Usual targets for diversity management programmes

- Ethnic, cultural, and/or religious minorities
- Women
- People with disabilities
- Homosexuals – and more recently the broader LGBTBIQ+ community
- Older workers

10.1. DIVERSITY MANAGEMENT

Facilitating and improving diversity management

- Must have top management support
- Creating an inclusive organizational culture
- Diversity training programmes
- Support groups
- Accommodation of family needs
- Senior mentorship programmes
- Apprenticeships
- Communication standards
- Diversity audits: assessment of effectiveness of diversity mgmt. programmes
- Diversity goals as part of performance appraisal of managers
- Management responsibility and accountability

10.2. THE INTRA-ENTREPRENEUR: MANAGEMENT AND COMMITMENT

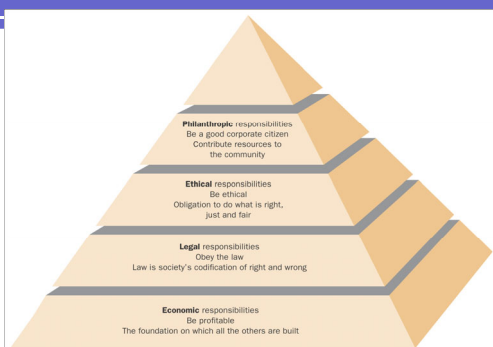
- **Entrepreneur (innovator):** person who has the ability to discover and/or create opportunities which successfully lead to **developing innovations** (new products, processes or business models). Most entrepreneurs are (top) business managers and/or owners.
- **Intra-entrepreneur: employee** who is allowed – or even encouraged – to act as an **entrepreneur within a company**. Intra-entrepreneurs contribute to develop innovations inside the company, and/or they may even create their own companies (spin-offs), sometimes with the support of the parent organization.
- Managing intra-entrepreneurship is an increasingly important part of **talent development**, and a key driver for motivating (knowledge) workers, fostering employee **creativity**, and increasing employee (intrinsic & affective) **commitment** and **engagement**.

10.3. CSR: IMPLICATIONS FOR HRM

Corporate social responsibility (CSR) is the **responsibility of enterprises for their impacts on society**. (*EU Renewed Strategy 2011-14 on CSR*)

CSR is **not only strict compliance with legal requirements**, but also the **voluntary inclusion**, by businesses in their governance and management, in their strategy, policies and procedures, **of social, labour, environmental and human rights** concerns arising from transparent relations and dialogue with their interest groups, so that they take responsibility for the consequences and impacts of their actions. (*Spanish Strategy for CSR, 2014-2020*)

10.3. CSR: IMPLICATIONS FOR HRM



Carroll's (1991) CSR pyramid

10.3. CSR: IMPLICATIONS FOR HRM

- **Economic responsibilities.** Base of the pyramid; understood as the production of goods and services that consumers need and want. As a compensation for the delivery of these goods and services, the company must obtain an acceptable profit.
- **Legal responsibilities.** Compliance with the law and any type of (public and/or private) regulations, in accordance with the basic rules by which the business must operate.
- **Ethical responsibilities.** Obligation to do what is right, fair and reasonable, and to avoid - or at least minimize - damage to the company's different stakeholders.
- **Philanthropic responsibilities.** Corporate actions that respond to social expectations of good corporate citizenship, including the active involvement of businesses in activities or programmes that promote social welfare and improve the general public's quality of life.

10.3. CSR: IMPLICATIONS FOR HRM

The **UN Global Compact** is "the world's largest corporate sustainability initiative".

UN Global Compact Mission:

"A call to companies to **align strategies and operations with universal principles** on human rights, labour, environment and anti-corruption, and take **actions that advance societal goals.**"

<https://www.unglobalcompact.org>

10.3. CSR: IMPLICATIONS FOR HRM



United Nations Global Compact

10 PRINCIPLES GROUPED AROUND FOUR ACTION AREAS



Can you identify each action area?

10.3. CSR: IMPLICATIONS FOR HRM

CSR covers, as a minimum (UN Global Compact):

- respecting **human rights**;
- developing responsible **labour and employment practices** (such as training, diversity, gender equality, working conditions, health and well-being of workers, etc.);
- caring for **environmental issues** (such as biodiversity, climate change, efficient use of resources, product life-cycle assessment and pollution prevention, etc.); and
- fighting against **fraud and corruption**.

10.3. CSR: IMPLICATIONS FOR HRM



United Nations Global Compact

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

4. Elimination of all forms of forced and compulsory labour.

5. Effective abolition of child labour.

6. Elimination of discrimination in respect of employment and occupation.



10.3. CSR: IMPLICATIONS FOR HRM

CSR includes a broad diversity of practices with HRM implications, such as, for example:

- **Legal certainty** (e.g., regarding contracts, working conditions, etc.)
- **Ethical behaviour** (e.g., regarding treatment of employees, etc.)
- Good **corporate governance** practices (e.g., monitoring top management behaviour, etc.)
- Promotion of **equal opportunities** and non-discrimination (e.g., diversity management policies, fair access to vacancies, etc.)
- **Transparency** (e.g., regarding salaries, access to corporate info, HRM policies and systems, etc.)

10.3. CSR: IMPLICATIONS FOR HRM

CSR includes a broad diversity of practices with HRM implications, such as, for example: (continued)

- Commitment to **employee development**.
- Investment in **training** and talent development.
- **Responsible behaviour in the supply chain** (e.g., monitoring working conditions in outsourced suppliers, such as overseas factories or call centres).
- Respect for and protection of **human rights** (e.g., with exemplary behaviour towards own employees).

Beyond complying with the law, all of these issues – among others – include **practices that companies can adopt voluntarily** → organizations that develop these practices are considered responsible and sustainable in the HRM domain.