

- Management is primarily concerned with internal planning, organising, directing and controlling (PODC)

The nature of the employment relationship

- The employment relationship may be regulated in three ways:
 - Unilaterally – by the employer
 - Bilaterally – by the employer and the trade unions through a process of bargaining
 - Trilaterally – by employers, trade unions and statutes, through the intervention of the government or state
- The employment relationship embraces an economic relationship, the exchange of pay for work
- Conflict is structure into employment relations as the benefit to one group is a cost to the other
- A legal relationship – a network of contractual and statutory rights and obligations affecting both parties to the contract
- Statutory employment rights provide a basic minimum or floor of rights for all employees
- The third distinguishing component of the employment relationship is that it involves a social relationship
- The employment relationship embodies an uneven balance of power between the parties
- The social dimension is concerned with social relations, social structure and power rather than with the legal technicalities between the parties
- Psychological contract – a dynamic two-way exchange of perceived promises and obligations between employees and their employer

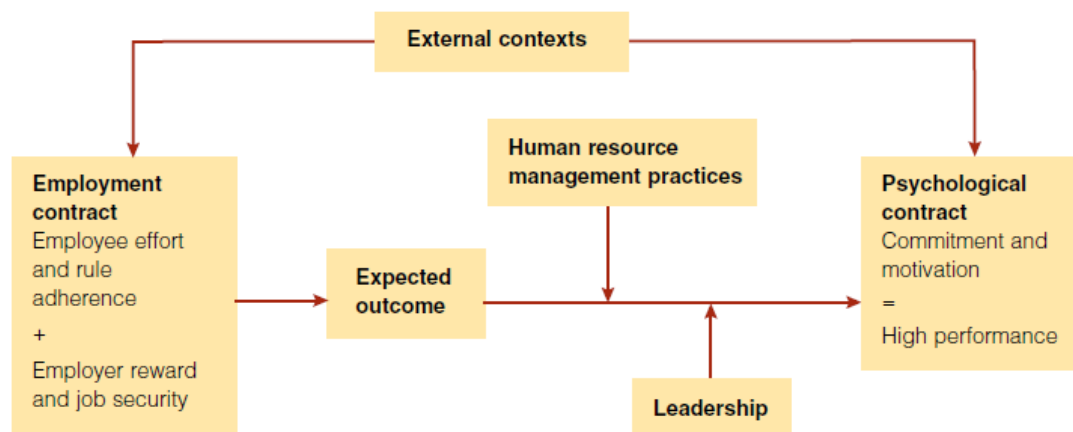


Figure 1.1 The employment and psychological contract between employees and employers

- The psychological contract has a number of important features
 - First, ineffective practices may communicate different beliefs about the reciprocal promises and obligations that are present
 - Individuals will have different perceptions of their psychological contract
 - Perceived psychological contracts (PPC)
 - The PPC reaffirms the notion that the employment relationships is thought to be one of exchange
 - The PPC's are shaped in particular contexts, which includes HR practices
 - Organisations downsizing can reduce the likelihood of psychological contract violation by ensuring that HR practices contributes to employees' perceptions of procedural fairness

Scope and functions of HRM

- Three major subdomains of knowledge
 - Micro, strategic and international
- The largest subdomain refers to micro HRM (MHRM), which is concerned with managing individual employees and small work groups