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Strategy and Human Resource Management

Peter Boxall and John Purcell

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What are the HR factors and principles that may help a company to lay a basis for sustained competitive advantage? What can managers do to establish more inclusive, collaborative, and intrinsically motivating work environments for employees? How can HR management be linked better with strategy? How can HR managers develop networks with company internally and externally relevant partners to effectively manage dynamic and complex contexts?

These are a few of the questions that the authors attempt to address in this book. The common thread of the book is to establish a link between strategy and human resource management by exploring ways in which HRM is strategic to business success. A distinguishing feature from other similar efforts is that the authors demonstrate deep knowledge of strategy literature. Also, they account for the complexity managers are faced with but do not leave it as is, but crystallise theoretically-based and empirically tested individual and collective drivers that influence the context of strategic human resource management.

The book consists of three parts. The rationale for the organization of the different sections lies in shifting level of analysis from individual to collective dimensions of human resource management, always injecting the link to business performance. Also, the chapters in most of the sections fit together nicely and tend to provide a variety of perspectives on a particular set of HR relevant issues. Analysing the linkage between HRM and business strategy makes for a complex story. To their credit, Boxall and Purcell get around the problem by providing excellent introductions and summaries to each chapter by referring to main issues made in related parts of the book.

Chapter 1 plays a helpful role in preparing the reader for the remainder of the volume by providing the framework for exploring the role of HRM in strategic management. Over the course of 20 pages, in Chapter 2 the authors provide a sophisticated outline of literature that adopts a process perspective on strategic management. The authors then link human cognition and organisational politics with an integrative framework based on team building research.

The next two chapters address the question in what way strategic HRM can be integrated in greater detail with business strategy. The authors do an excellent job of summarizing previous research and thinking regarding contingency vs. universal HRM models. They offer some challenging ideas. For instance, they assess the

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evidence about the merits of 'best fit' and 'best practice' by reviewing the body of descriptive research and conclude that *both* general principles and specific contexts play an important role in the theory and practice of strategic HRM.

For readers seeking a cogent, but relatively brief, review of the scientific literature on the resource-based view of the firm, chapter 4 is recommended. As in the other sections, the authors critically reflect on the validity of models introduced and provide well thought-out arguments for their position. In Chapter 5, Boxall and Purcell draw on trends in work organisation, and span a bridge from Fordism to globalisation. Discussing the variety of environmental pressures to improve competitiveness, the implications for human resource management are discussed in view of social and ethical values.

In Chapter 6, the authors take a closer look at how work systems are linked with models of employment and address the strategic implications of the 'make' or 'buy' choice to the people - organization fit. Specifically, they refer to theory (transaction cost analysis and human capital theory) and practical peculiarities to analyse the extent to which firms achieve effective tradeoffs between strategic "fit" and "flexibility." Subsequently, the management of individual performance and development are examined by, so the authors, crystallizing the critical, underlying issues or connecting theory as one passes through the HR sub-functions (Chapter 7).

Chapter 8 deals with how employees, directly and indirectly, may contribute to decision-making in the firm, and occasionally in wider society. The origins and development of trade union structures in Anglo-American societies (USA, Canada and GB) but also in continental European countries are well documented. The authors build on scale of participation or involvement models to present a useful heuristic for analysing union strategies, tactics, and outcomes. Their point is that companies must find answers to the question which kind of relationship is favoured with employees and how decision-making is handled.

Chapter 9 examines the link between HR strategy and the firm's stage of development. Boxall and Purcell not only outline the various phases of industry evolution, but also develop a powerful critique why much more research is needed on the dynamics of HR strategy. The priority attached to analysing the impact of changing organisational structures to remain attractive to employees and, ultimately competitive, is a welcome shift in discussion as compared to a great majority of other textbooks.

The focus on structure is also the running thread of chapter 10. This adds much to the discussion evolving around the question of the ideal structural configuration of MNCs to avoid failures related to problems arising due to geographical distance, lack of information coordination, and cultural issues. The early part of this chapter is used to define multi-divisional structures and to highlight and explain the increasing shift towards their use among global companies. Subsequent sections go on to demonstrate how multidivisional structures impact the HR implications cross-border of mergers and acquisitions. Several case studies are used to examine two important issues: the role of employee expectations and breaches of the psychological contract in M&As, and major HRM factors such as beliefs about organisational culture, change processes or knowledge alignment that need to be faced in organisational integration.

The final chapter 11 concludes by outlining principles of strategic planning and its implications for HRM practices. The Balanced Scorecard by Kaplan and Norton is

introduced as a tool based on these process issues. The discussion does not end without critically evaluating the proposed strategic instrument.

This book provides an excellent summary and provocative views of the research intersections between strategy and HRM. Because of its convincing yet unpretentious tone, along with a clear and concise style, this book deserves a very good recommendation. One of its greatest advantages is its presentation of combining theory, research, and illustration. As for the academic environment, this book makes a highly useful supplementary text for a graduate-level or PhD-level course on strategy and human resource management. However, succinct and to-the-point language found throughout provides for a book that may be recommended to practitioners interested in gaining a different and eventually holistic view of their day-to-day approach to business. It is a must-read book.

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Measuring Customer Service Effectiveness

Sarah Cook

Gower Publishing Co.

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174 pp.

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The author positions this book as a practical guide to measuring external and internal service equality, based primarily on her own experiences as a consultant to both the public and private sectors.

The author makes the valid point that the quality of external service delivery is reflective of the quality of internal service delivery. She uses the paradigm of the Service Profit Chain (SPC) as a model for measurement. The SPC thinking maintains that there are direct and strong relationships between profit, growth, customer loyalty, customer satisfaction, the value of goods and services delivered to customers, and employee capability, satisfaction, loyalty, and productivity. This book demonstrates ways of quantifying these relationships.

There is a logical sequence of chapters, comprising: the business case for measurement; preparing to measure customer service; qualitative customer service measurement methods; measuring internal service quality; benchmarking; analysing and communicating results; and acting on results. Ms Cook has authored several other books regarding aspects of customer management, evidence that her practical approach has struck a chord with practitioners. There are plenty of charts, tables, etc. to illustrate points and to provide practical examples, and she is not afraid to use established tools to aid measurement and analysis, e.g. SPC, balanced scorecard, root cause analysis, force field analysis, etc.