This paper is from the BAM2019 Conference Proceedings

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Regulation of work and employment: HRM in and within the regulatory space

Jenny K Rodriguez
Work & Equalities Institute, Alliance Manchester Business School
The University of Manchester, United Kingdom
jenny.rodriguez@manchester.ac.uk

Stewart Johnstone
Newcastle University Business School
Newcastle University, United Kingdom
stewart.johnstone@newcastle.ac.uk

Stephen J Procter
Newcastle University Business School
Newcastle University, United Kingdom
stephen.procter@newcastle.ac.uk

Abstract

The importance of regulation of work and employment continues to be a topic of debate that has shily entered the domain of HRM, despite its relevance to the field. Discussions in HRM do not scrutinise meaningfully its relationship with regulation and the focus of HRM as a firm-based construct has translated into very limited theoretical and conceptual engagement between the principles that drive HRM and the key aspects of regulation, e.g. how firms translate labour market rules and regulatory regimes into policies and practices. There seems to be an implicit assumption that regulation is within the legal remit of firm responsibility and as a result, there is insufficient discussion about how HRM is both shaped and shapes the regulatory space within which firms operate.

Some works (see Barry, 2010; Martínez Lucio & MacKenzie, 2017; Martínez Lucio & Stuart, 2011; Rodriguez, Johnstone & Procter, 2017) that address this relationship recognise fundamental gaps in theorising issues about the form, degree and type of regulation most appropriate to manage the employment relationship and support HRM principles, policies and practices. Firms now operate in spaces that are more global and economically liberalised, where regulation is seen as restrictive of the behaviours of economic actors (Martínez Lucio & Weston, 2000). In this context, HRM sits amidst pressures to develop strategies that manage and develop people and support a capitalist corporate managerial philosophy. Furthermore, there are calls (see Bucker et al., 2006; Bush, 2018) for HRM practices to be more ethical and sustainable, where HRM is called to task on its ability to address key issues such as worker protection, fight against exploitation and precariousness, and where it exercises a clearer role as the firms’ moral compass in matters of people management, institutionalising responsible HRM policies and practices. This speaks to the need to theorise the relationship between regulation and HRM in ways that interrogate the key challenges that regulation poses to HRM as a result of its positioning between economic and social concerns, which pitch employers’ needs (e.g. firm competitiveness) against workers’ needs (e.g. decent and just work conditions).

Rodriguez, Johnstone & Procter (2017) have identified four fundamental changes to dynamics of work and employment: to the structure of employment, to participation and composition of the workforce, to the organization of work, and to the utilization of labour.
For example, issues such as the growth of the service sector and its reliance on a-typical, non-standard and contingent work, such as zero-hour and fixed term contracts (Frenkel, 2000; Almond, 2011), the ambiguity in approaches to manage knowledge work (Oltra, 2005; Runar Edvardsson, 2008; Thite, 2004), changes to labour market demographics (Burke & Ng, 2006; Kochan, 2004; Verworn, Schwarz & Herstatt, 2009), labour-led flexibility (Johnson & Szamosi, 2018), and automation and informatization (Kaur, 2018; Marler & Parry, 2016; Strohmeier, 2018) raise questions about the role and relevance of HR functions to respond to the challenges they pose.

The impact of these changes on firms comes by the hand of changes to the regulatory environment, where context adds an additional layer of complexity as frameworks, policies and practices are re-configured in situated ways. In this respect, the importance of context is not only related to how HRM policies and practices emerge or are adapted from existing models, but it is also about understanding a symbiotic relationship with the analytical context (e.g. institutional), which requires an integrated framework to interrogate how the process of contextualisation takes place to shape HRM (see Cooke, 2018). Regulation is one of many factors of this framework, which in itself requires to be explored in its diversity (e.g. political, social) and how it shapes HRM. However, HRM appears to continue to promote fixed design logics that no longer represent or respond to the structure of work and employment, the main features of contemporary workplaces, the strategic priorities of management and the needs of workers. In particular, some argue (see Dundon & Rafferty, 2018) that HRM has become marketized in irrevocable ways that will lead to its demise. Against this backdrop, important questions remain about what role HRM takes or should take; and in this sense, the role it should take within, and the kind of interaction it should have with, regulation in order to maintain the legitimacy and relevance of the function in firms operating as part of a neo-liberal political and economic framework.

In this paper, we propose that there is a need for a framework to help analyse the relationship between regulation and HRM more insightfully, in particular, the ways in which regulation intensifies the tensions between different stakeholders involved in HRM in firms. In this paper, we draw on discussions about the regulatory space (see Hancher & Moran; 1989; Lodge & Wegrich, 2012) to explore the ways in which resource fragmentation and regulatory power impact HRM in firms. Lodge & Wegrich (2012) note that at the core of the regulatory space are diverse resources (e.g. authority, information, organizational capabilities and wealth) that are deployed simultaneously by actors with different degrees of power and legitimacy. As a result, competing agendas pursued by different actors raise a complex set of paradoxes and ambiguities that shape HRM policies and practices. The paper contributes to ongoing discussions about the reconfigured role of HRM and proposes a new analytical angle to understand how contextual and institutional factors, such as regulation, intersect with HRM to shape policies and practices of people management in firms.

**Keywords:** Regulation, work, employment, HRM, regulatory space

**Funding details:** The work in this paper was supported by the Economic and Social Research Council (ESRC) under Grant number ES/L000660/1.

**References**


