THEORETICAL PERSPECTIVES AND RESERVATIONS FOR HUMAN RESOURCE MANANGEMENT

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Abstract
This study presents and analyses the theoretical perspectives and reservations for human resource management (HRM) taking in consideration the voices that argue that HRM treats employees as means to an end. Nevertheless, no one can underestimate the importance of HRM. Human Resource Management can be described as the comprehensive set of managerial activities and tasks concerned with developing and maintaining a qualified workforce- human resource – in ways that contribute to organizational effectiveness.

Keywords: *Human resources, Management, workforce, strategy, theory.*

John R. Commons, a pioneering economist, first coined the term "human resource" in his book "The Distribution of Wealth," which was published in 1893. [17] However, it was not until the 19th century when the term was developed to address misunderstandings between employees and their employers.

The terms 'human resource management' (HRM) and 'human resources' (HR) have largely replaced the term 'personnel management' as a description of the processes involved in managing people in organizations. The concept of HRM underpins all the activities described in this book, and the aim of this chapter is to provide a framework for what follows by defining the concepts of HRM and an HR system, describing the various models of HRM and discussing its aims and characteristics. [2]

The field of strategic human resources management (SHRM) has enjoyed a remarkable ascendancy during the past two decades, as both an academic literature and focus of management practice. The parallel growth in both the research literature and interest among practicing managers is a notable departure from the more common experience, where managers are either unaware or simply uninterested in scholarly developments in our field. As the field of HR strategy begins to mature, we believe that it is time to take stock of where it stands as both a field of inquiry and management practice. Although drawing on nearly two decades of solid academic progress, this exercise is explicitly prospective. This article is not intended as an encyclopedic analysis of prior work (see Becker & Huselid, 1998, [3]Becker, Brian E., and Mark A. Huselid,2006 [4] for earlier reviews); instead, it will emphasize what we consider should be the future direction of the field in the future. [4]

Human resource management is defined as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives. Storey (1989) believes that HRM can be regarded as a 'set of interrelated policies with an ideological and philosophical underpinning'. He suggests four aspects that constitute the meaningful version of HRM: a particular constellation of beliefs and assumptions; a strategic thrust informing decisions about people management; the central involvement of line managers; and reliance upon a set of 'levers' to shape the employment relationship.[18]

The overall purpose of human resource management is to ensure that the organization is able to achieve success through people. As Ulrich and Lake (1990) remark: 'HRM systems can be the source of organizational capabilities that allow firms to learn and capitalize on new opportunities.' Specifically, HRM is concerned with achieving objectives in the areas summarized below. [9]

Organizational effectiveness. 'Distinctive human resource practices shape the core competencies that determine how firms compete'.[8] Extensive research has shown that such practices can make a significant impact on firm performance. HRM strategies aim to support programmes for improving organizational effectiveness by developing policies in such areas as knowledge management, talent management and generally creating 'a great place to work'. This is the 'big idea' as described by Purcell et al (2003), which consists of a 'clear vision and a set of integrated values'. More specifically, HR strategies can be concerned with the development of continuous improvement and customer relations policies. [26]

*Human capital management.*The human capital of an organization consists of the people who work there and on whom the success of the business depends. Human capital has been defined by Bontis et al (1999) as follows [5]:

"Human capital represents the human factor in the organization; the combined intelligence, skills and expertise that give the organization its distinctive character. The human elements of the organization are those that are capable of learning, changing, innovating and providing the creative thrust which if properly motivated can ensure the long-term survival of the organization." [2]

Knowledge management. Knowledge management is 'any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations'. [27] HRM aims to support the development of firm-specific knowledge and skills that are the result of organizational learning processes.

Employee relations. The aim is to create a climate in which productive and harmonious relationships can be maintained through partnerships between management and employees and their trade unions.

Meeting diverse needs. HRM aims to develop and implement policies that balance and adapt to the needs of its stakeholders and provide for the management of a diverse workforce, taking into account individual and group differences in employment, personal needs, work style and aspirations and the provision of equal opportunities for all.

Bridging the gap between rhetoric and reality. The research conducted by Gratton et al (1999) found that there was generally a wide gap between the sort of rhetoric expressed above and reality. [10] Managements may start with good intentions to do some or all of these things but the realization of them – 'theory in use' – is often very difficult. This arises because of

contextual and process problems: other business priorities, short-termism, limited support from line managers, an inadequate infrastructure of supporting processes, lack of resources, resistance to change and lack of trust. An overarching aim of HRM is to bridge this gap by making every attempt to ensure that aspirations are translated into sustained and effective action. To do this, members of the HR function have to remember that it is relatively easy to come up with new and innovatory policies and practice. The challenge is to get them to work. They must appreciate, in the phrase used by Purcell et al (2003) that it is the front line managers who bring HR policies to life, and act accordingly. [26]

But these characteristics of HRM are by no means universal. There are many models, and practices within different organizations are diverse, often only corresponding to the conceptual version of HRM in a few respects. Hendry and Pettigrew (1990) play down the prescriptive element of the HRM model and extend the analytical elements. [15] As pointed out by Boxall (1992), such an approach rightly avoids labelling HRM as a single form and advances more slowly by proceeding more analytically. [6] It is argued by Hendry and Pettigrew that 'better descriptions of structures and strategy-making in complex organizations, and of frameworks for understanding them, are an essential underpinning for HRM'. [15] A distinction was made by Storey (1989) between the 'hard' and 'soft' versions of HRM. The hard version of HRM emphasizes that people are important resources through which organizations achieve competitive advantage. [18]These resources have therefore to be acquired, developed and deployed in ways that will benefit the organization. The focus is on the quantitative, calculative and business-strategic aspects of managing human resources in as 'rational' a way as for any other economic factor. As Guest (1999a) comments:[12]

"The drive to adopt HRM is... based on the business case of a need to respond to an external threat from increasing competition. It is a philosophy that appeals to managements who are striving to increase competitive advantage and appreciate that to do this they must invest in human resources as well as new technology."

He also commented that HRM 'reflects a long-standing capitalist tradition in which the worker is regarded as a commodity'. The emphasis is therefore on the interests of management, integration with business strategy, obtaining added value from people by the processes of human resource development and performance management and the need for a strong corporate culture expressed in mission and value statements and reinforced by communications, training and performance management processes. The soft version of HRM traces its roots to the human-relations school; it emphasizes communication, motivation and leadership. As described by Storey (1989) it involves 'treating employees as valued assets, a source of competitive advantage through their commitment, adaptability and high quality (of skills, performance and so on)'. [18] It therefore views employees, in the words of Guest (1999a), as means rather than objects, but it does not go as far as following Kant's advice: [12] 'Treat people as ends unto themselves rather than as means to an end.' The soft approach to HRM stresses the need to gain the commitment – the 'hearts and minds' – of employees through involvement, communications and other methods of developing a high-commitment, high-trust organization. Attention is also drawn to the key role of organizational culture. In 1998, Legge defined the 'hard' model of HRM as a process emphasizing 'the close integration of human resource policies with business strategy which regards employees as a resource to be managed in the same rational way as any other resource being exploited for maximum return'. [22] In contrast, the soft version of HRM sees employees

as 'valued assets and as a source of competitive advantage through their commitment, adaptability and high level of skills and performance'. It has, however, been observed by Truss (1999) that 'even if the rhetoric of HRM is soft, the reality is often hard, with the interests of the organization prevailing over those of the individual'. [30] And research carried out by Gratton et al(1999) found that in the eight organizations they studied, a mixture of hard and soft HRM approaches was identified. This suggested to the researchers that the distinction between hard and soft HRM was not as precise as some commentators have implied. [10]

Perhaps the most significant feature of HRM is the importance attached to strategic integration, which flows from top management's vision and leadership, and which requires the full commitment of people to it. Guest believes that this is a key policy goal for HRM, which is concerned with the ability of the organization to integrate HRM issues into its strategic plans, to ensure that the various aspects of HRM cohere, and to encourage line managers to incorporate an HRM perspective into their decision-making.[11,12,13,14] Legge (1989) considers that one of the common themes of the typical definitions of HRM is that human resource policies should be integrated with strategic business planning. [22] Sisson (1990) suggests that a feature increasingly associated with HRM is a stress on the integration of HR policies both with one another and with business planning more generally. [29]Storey (1989) suggests that: 'The concept locates HRM policy formulation firmly at the strategic level and insists that a characteristic of HRM is its internally coherent approach.' [18]

RESERVATIONS ABOUT HRM

For some time HRM was a controversial topic, especially in academic circles. The main reservations have been that HRM promises more than it delivers and that its morality is suspect.

HRM promises more than it can deliver Noon (1992) has commented that HRM has serious deficiencies as a theory. [24]

"It is built with concepts and propositions, but the associated variables and hypotheses are not made explicit. It is too comprehensive… If HRM is labelled a 'theory' it raises expectations about its ability to describe and predict."

Guest (1991) believes that HRM is an 'optimistic but ambiguous concept'; it is all hype and hope.[11] Mabey et al (1998) follow this up by asserting that 'the heralded outcomes (of HRM) are almost without exception unrealistically high'. To put the concept of HRM into practice involves strategic integration, developing a coherent and consistent set of employment policies, and gaining commitment. This requires high levels of determination and competence at all levels of management and a strong and effective HR function staffed by business-oriented people. It may be difficult to meet these criteria, especially when the proposed HRM culture conflicts with the established corporate culture and traditional managerial attitudes and behaviour. [23] Gratton et al (1999) are convinced on the basis of their research that there is:[10]

"a disjunction between rhetoric and reality in the area of human resource management between HRM theory and HRM practice, between what the HR function says it is doing and that practice as perceived by employers, and between what senior management believes to be the role of the HR function, and the role it actually plays."

In their conclusions they refer to the 'hyperbole and rhetoric of human resource management'. Caldwell (2004) believes that HRM 'is an unfinished project informed by a selffulfilling vision of what it should be'. [7] In response to the above comments it is agreed that many organizations that think they are practising HRM are doing nothing of the kind. It is

difficult, and it is best not to expect too much. Most of the managements who hurriedly adopted performancerelated pay as an HRM device that would act as a lever for change have been sorely disappointed. But the research conducted by Guest and Conway (1997) covering a stratified random sample of 1,000 workers established that a notably high level of HRM was found to be in place. [14]This contradicts the view that management has tended to 'talk up' the adoption of HRM practices. The HRM characteristics covered by the survey included the opportunity to express grievances and raise personal concerns on such matters as opportunities for training and development, communications about business issues, single status, effective systems for dealing with bullying and harassment at work, making jobs interesting and varied, promotion from within, involvement programmes, no compulsory redundancies, performance-related pay, profit sharing and the use of attitude surveys.

The morality of HRM. HRM is accused by many academics of being manipulative if not positively immoral. [16]

Willmott (1993) remarks that HRM operates as a form of insidious 'control by compliance' when it emphasizes the need for employees to be committed to do what the organization wants them to do. [31] It preaches mutuality but the reality is that behind the rhetoric it exploits workers. It is, they say, a wolf in sheep's clothing (Keenoy, 1990a). [19] As Legge (1998) pointed out: [22]

"Sadly, in a world of intensified competition and scarce resources, it seems inevitable that, as employees are used as means to an end, there will be some who will lose out. They may even be in the majority. For these people, the soft version of HRM may be an irrelevancy, while the hard version is likely to be an uncomfortable experience."

The accusation that HRM treats employees as means to an end is often made. However, it could be argued that if organizations exist to achieve ends, which they obviously do, and if those ends can only be achieved through people, which is clearly the case, the concern of managements for commitment and performance from those people is not unnatural and is not attributable to the concept of HRM – it existed in the good old days of personnel management before HRM was invented. What matters is how managements treat people as ends and what managements provide in return. Much of the hostility to HRM expressed by a number of academics is based on the belief that it is hostile to the interests of workers, that it is managerialist.[25] However, the Guest and Conway (1997) research established that the reports of workers on outcomes showed that a higher number of HR practices were associated with higher ratings of fairness, trust and management's delivery of their promises. [14] Those experiencing more HR activities also felt more secure in and more satisfied with their jobs. Motivation was significantly higher for those working in organizations where more HR practices were in place. In summary, as commented by Guest (1999b), it appears that workers like their experience of HRM. [13]These findings appear to contradict the 'radical critique' view produced by academics such as Mabey et al (1998) that HRM has been ineffectual, pernicious or both. [23] Some of those who adopt this stance tend to dismiss favourable reports from workers about HRM on the grounds that they have been brainwashed by management. But there is no evidence to support this view. Moreover, as Armstrong (2000a) pointed out: [1]

"HRM cannot be blamed or given credit for changes that were taking place anyway. For example, it is often alleged to have inspired a move from pluralism to unitarism in industrial

relations. But newspaper production was moved from Fleet Street to Wapping by Murdoch, not because he had read a book about HRM but as a means of breaking the print unions'control."

Contradictions in the reservations about HRM. Guest (1999a) has suggested that there are two contradictory concerns about HRM. [12] The first as formulated by Legge (1995, 1998) is that while management rhetoric may express concern for workers, the reality is harsher. [21,22] Keenoy (1997) complains that: 'The real puzzle about HRMism is how, in the face of such apparently overwhelming critical "refutation", it has secured such influence and institutional presence.' [20] Other writers, however, simply claim that HRM does not work. Scott (1994) for example, finds that both management and workers are captives of their history and find it very difficult to let go of their traditional adversarial orientations. But these contentions are contradictory. [28] Guest (1999b) remarks that, 'It is difficult to treat HRM as a major threat (though what it is a threat to is not always made explicit) deserving of serious critical analysis while at the same time claiming that it is not practiced or is ineffective.'[13]

Nevertheless, taking in consideration the era we are living in, the human resource management is getting more and more complex and such has resulted in the formation of human resource department/ division in companies to handle this function. The human resource function has become wholly integrated part of the total corporate strategy.

By making a complete analysis of the theories exposed by various writers, we can conclude that HRM has progressed through the stages of history when people were abused in slave like working conditions to the modern environment where people are viewed as assets to business and are treated accordingly. During these stages there occurred many shifts like personnel management to HRM and HRM to SHRM. The human resource function had to adapt with the times as staff become more dynamic and less limited in their roles and bound by a job description. In future being HRM a social science there will be other shifts in this area and along with that will come more contradictory opinions and reservations.

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