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HUMAN RESOURCE MANAGEMENT

Rhetorics and Realities

Karen Legge

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Softcover reprint of the hardcover 1st edition 1995 978-0-333-57247-4

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First published 1995 by
MACMILLAN PRESS LTD
Houndmills, Basingstoke, Hampshire RG21 6XS
and London
Companies and representatives
throughout the world

ISBN 978-0-333-57248-1 ISBN 978-1-349-24156-9 (eBook)
DOI 10.1007/978-1-349-24156-9

A catalogue record for this book is available
from the British Library.

Copy-edited and typeset by Povey-Edmondson
Okehampton and Rochdale, England

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In memory of Dan Gowler

'The best and brightest'

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Acknowledgements

This book was written largely at a time of great personal sadness, following the death of my husband and partner, Dan Gowler. The support I received – both personal and professional – from colleagues and friends at that time and subsequently has been more generous and meant more to me than I can say. It would be invidious to single out names, so my heartfelt thanks go to all my friends at the Department of Behaviour in Organisations, Lancaster University; Templeton College, Oxford; The Management School, Imperial College; the MRC/ESRC Social and Applied Psychology Unit (now the Institute of Work Psychology), University of Sheffield; the School of Industrial and Business Studies, University of Warwick; Manchester Business School; Bath, Birkbeck, Cardiff, Glasgow, Hull, LBS, Leeds, LSE, Loughborough and Southampton Universities. Special thanks go to those whose patience I have tried sorely – Gibson, Mick, Paul and Stephen, my editors at the publishers and Sue, who never complains at hieroglyphics still written in 2H pencil by the last computer illiterate.

Above all, though, this book would never have been completed without the love and support of my families at Uxbridge Road and Elstead, to whom this book belongs as much as to Dan. To you, kids, especially – here's looking at you!

The author and publishers wish to thank the following for permission to reproduce copyright material:

Blackwell, *Journal of Management Studies* and John Purcell, for Figures 2.1 and 2.2, from J. Purcell and A. Gray, 'Corporate personnel departments and the management of industrial relations: two case studies in ambiguity' (1986) and from J. Purcell, 'Mapping management style in employee relations' (1987); Routledge, *International Journal of Human Resource Management* and John Storey, for Figures 2.3 and 2.4, from J. Storey and N. Bacon, 'Individualism and collectivism: into the 1990s' (1993); Blackwell and John Storey, for Figures 2.5, 3.1 and 3.3 from *Developments in the Management of Human Resources* (1992);

Harvester Wheatsheaf and Mick Marchington, for Figure 2.6, from M. Marchington and P. Parker, *Changing Patterns of Employee Relations* (1990); Blackwell, *Journal of Management Studies* and David Guest, for Figures 3.2 and 3.5, from D. E. Guest, 'Human resource management and industrial relations' (1987); Routledge and Richard Whittington, for Figure 4.1, from R. Whittington, *What is Strategy and Does it Matter?* (1993); Open University Press, Keith Sisson and John Storey, for Figures 4.2, 4.3 and 4.4, from John Storey and Keith Sisson, *Managing Human Resources and Industrial Relations* (1993); *Organisational Dynamics*, for Figure 4.5, from R. E. Miles and C. C. Snow, 'Designing strategic human resources systems' (1984); Blackwell, for Figure 4.6, from M. Goold and A. Campbell, *Strategies and Styles* (1987); Routledge and *International Journal of Human Resource Management*, for Figure 4.7, from C. Hendry and A. Pettigrew, 'Human resource management: an agenda for the 1990s' (1990); also John Wiley and *British Journal of Management*, for Figure 4.7, from C. Hendry and A. Pettigrew, 'Patterns of strategic change in the development of human resource management' (1992); *Journal of General Management*, for Figures 4.8 and 4.9, from P. Miller and D. Norburn, 'Strategy and executive reward: the mismatch in the strategic process' (1981); MCB University Press and *International Journal of Management*, for Figure 5.1, from G. L. Mangum and S. L. Mangum, 'Temporary work: the flipside of job security' (1986); Jossey Bass, for Figure 6.1, from E. H. Schein, *Organizational Culture and Leadership* (1985); Free Press, for Figure 9.1, from M. Beer, B. Spector, P. Lawrence, D. Quinn Mills and R. Walton, *Human Resource Management: A General Manager's Perspective* (1985); John Wiley, for Figure 9.2, from M. A. Devanna, C. J. Fombrun and N. M. Tichy, 'A framework for strategic human resource management', in C. J. Fombrun *et al.*, *Strategic Human Resource Management* (1984); *Employment Gazette* (various issues), for data in Tables 8.1–8.3; Blackwell and *British Journal of Industrial Relations*, for data in Table 8.2, from J. Waddington, 'Trade union membership in Britain 1980–87: unemployment and restructuring' (1992).

Introduction

This book is intended to provide MBA students with a critical overview and evaluation of the nature of Human Resource Management (HRM) in the UK. Its aim is to situate changing rhetorics and approaches to managing employee relations – or people at work, or the human resource in the circuit of capital accumulation – in their socio-politico-economic context. The concern is not to explicate in a prescriptive manner the minutiae of ‘best practice’ management techniques that form the hand tools in the work of managing employees. Good introductory ‘how it should be done’ texts already exist that fulfil this function admirably (see, for example, Torrington and Hall, 1987). For practitioners requiring greater detail and even more evangelism about specific techniques – anything from graphology in selection testing to outplacement counselling for the ‘delayered’, management publishers and consultancy organisations are ready with expensive step-by-step maps to the holy grail of the ‘optimum utilization of human resources in pursuit of organisational goals’. The purpose of this book is rather to situate such activities (critically evaluated and deconstructed) in the context of managerial rationales, constraints and opportunities. (We’ll leave aside for the moment whether such constraints and opportunities are ‘real’ or ‘enacted’.)

Nor is there any intention to draw comparisons with human resource management as practiced in other countries. Given my own reservations about the meaningfulness of broad-brush international surveys, such as the Price Waterhouse Cranfield survey (Brewster and Hegewisch, 1994), in order to achieve any depth of situated analysis it would require extensive use of detailed nationally-based research studies from all over the world. As time and space constraints have prohibited this option, I have preferred not to draw comparisons which, at best, might be superficial and stereotyped and, at worst, misleading. However, for readers interested in comparative work on HRM some useful papers and texts exist (for example, Brewster and Tyson, 1991; Kakabadse and Tyson, 1993; Kirkbride, 1994; Torrington, 1994; Brewster, 1995; Kochan and Dyer, 1995; Scullion, 1995; Sparrow and Hiltrop, 1994) although international comparative studies are more developed in the areas of

employee/industrial relations than in HRM specifically (see, for example, Bean, 1994; Bamber and Lansbury, 1993; Hyman and Ferner, 1994; Ferner and Hyman, 1992; Niland *et al.*, 1994).

If this is the general approach, why not a critical text on our old, tried and trusted(?) friend, personnel management, instead of new-fangled faddish HRM? It is precisely these less than flattering attributions about HRM that make it so interesting. Is it really any different from personnel management, or is it the old product, in a new glitzy customer-aware package – as Armstrong (1987) put it, ‘old wine in new bottles’? If it is little different from personnel management, why the hype? It will be argued in this book that the importance of HRM, and its apparent overshadowing of personnel management, lies just as much and (possibly more so) in its function as a rhetoric about how employees should be managed to achieve competitive advantage than as a coherent new practice. It is a rhetoric chiefly espoused by British and American senior managers shaping up to heightened global competition from nations their countries once defeated in war. And why the appeal of HRM’s particular rhetoric? Because its language (of integration, flexibility, commitment and quality, to take Guest’s (1987) model) celebrates a range of very WASP (White, Anglo-Saxon, Protestant) values (individualism, work ethic, those of the American Dream) while at the same time mediating the contradictions of capitalism (Legge, 1989a; Guest, 1990b; Keenoy, 1990b). That the latter is a topical activity there can be little doubt. For not only did the enterprise cultures of the 1980s highlight and exacerbate these contradictions, but the changing mood of the ‘Caring 1990s’ may arguably demand their amelioration, or at least the rhetorical appearance of amelioration.

The importance of HRM as a rhetoric that speaks to the concerns of a wide range of stakeholder groups – personnel and line managers, government and academics – should not be underestimated. For while normative models exist of the essential characteristics of HRM and analysis of how it differs from comparable models of personnel management, there is evidence that such models of HRM are rarely realised extensively or completely in practice. While exemplars of its strategic implementation do exist, from case study and survey evidence the general picture is one of techniques associated with HRM receiving widespread support but implementation being largely *ad hoc*, opportunistic and fragmented.

But this is to anticipate discussion that will be developed later in the book. The book’s structure and contents are as follows. First, analysing a little of its history and a lot of its recent typologies, Chapter 1 identifies the nature of personnel management as a starting point and benchmark for subsequent discussion. Four models of personnel management are identified: the normative, the descriptive-functional, the critical-evaluative and the descriptive-behavioural model. In exploring these models, the argument is presented that personnel management may be typified as a bundle of ambiguities and contradictions leaving personnel managers historically with a ‘kind of

generalized inferiority complex' (Herman, 1968). Not surprisingly this provokes recurring attacks of navel-gazing. The early 1980s, under the first shock waves of the enterprise culture, saw a bout of just such attacks (for example, Thurley, 1981), leaving personnel management ripe for its periodic reassessment, remoulding and re-marketing – this time as HRM. Chapter 2 continues this analysis by considering the models of the range of styles in which personnel management, and employee relations generally, has been conducted in different organisational settings in the recent past. Consideration is given to the contextual and ideological factors associated with the adoption of different styles. The importance of ideas about individualism and collectivism in relation to espoused styles is explored, along with the product and labour market and other contextual factors that result in the practice of a pragmatic opportunism. With the scene set, Chapter 3 takes an overview of the emergence and nature of HRM and considers its similarities to, and differences from, personnel management. Two normative models of HRM are identified, the 'soft', or 'developmental humanism' model of the Harvard School (Beer, Katz, Kochan, Lawrence, McKersie and Walton), and the 'hard', or 'utilitarian-instrumentalism' model of the Michigan School (Devanna, Fombrun and Tichy) (see Hendry and Pettigrew, 1990; Keenoy, 1990b).

Guest's (1987) version of a 'soft' normative model of HRM is now chosen as a framework for a critical dialogue about the tensions between 'hard' and 'soft' HRM models, both in theory and in implementation, that will be conducted throughout the book. Each of the constituents of Guest's model: integration, flexibility, commitment and quality are considered in the light of these tensions, in Chapters 4–7.

Chapter 4 considers three aspects of integration in relation to HRM: the integration or 'fit' of human resource policies with business strategy; the integration or complementarity and consistency of mutuality policies aimed at generating employee commitment, flexibility and quality; the internalisation of the importance of human resources on the part of line managers. While these issues are explored theoretically and empirically, it is suggested that much hinges on how we conceptualise the nature of strategy. Arguably, the act of *consciously* matching HRM policy to business strategy is only relevant if one adopts what, empirically speaking, is the *least* realistic model of the strategy-making process. Further, is matching HRM policies with strategy necessarily advisable? What evidence is there that senior managers in the UK have explicit, well formulated and consistent HRM policies, let alone that these are consciously integrated with business strategy?

Chapter 5 turns to issues of flexibility. The nature and extent of corporate restructuring in the UK is considered in the context of two major debates: that of post-Fordism and flexible specialisation and of Atkinson's model of the flexible firm. The chapter explores the broader background of academic debates in which HRM concerns with flexibility need to be situated; evaluates the empirical evidence derived from surveys and case studies, of enhanced

flexibility, whether at the level of task or organisational design in UK firms and accounts for the continuities and changes identified in the empirical evidence, and their significance for HRM. The central importance of 'flexibility' as a discourse and ideological agenda emerges.

Chapter 6 turns to the *leitmotiv* of 'soft' models of HRM: the hoped-for movement from behavioural compliance to employee commitment and enhanced performance via programmes of culture change that highlight values of quality to be achieved through greater employee involvement. This chapter critically dissects the notion of commitment and considers the feasibility and utility of cultural change programmes in the light of both the problematic nature of the key concepts involved and the empirical evidence of exemplar culture change programmes. The conclusions drawn are largely sceptical.

Chapter 7 deals with the fourth element in Guest's model, looking at the relationship between HRM and quality. Focusing on the nature of Total Quality Management (TQM) and Just-in-Time (JIT) in manufacturing industry and on the rhetoric of quality in the public and private service sectors, the chapter considers how shifting definitions of quality may be used to address different models of HRM and enlist different groups of stakeholders. In many circumstances it is clear that 'quality' exists mainly as a beguiling discourse to mask the hard practices of labour intensification and unit resource cut-back, just as discourses about 'customer sovereignty' cloak the market manipulations of quasi-monopolistic and oligopolistic organisations.

Because it has been widely debated, by Guest amongst others (for example, Guest, 1989b, 1995), that HRM makes important assumptions about, and has critical implications for, trade unionism, Chapter 8 considers the relationship between HRM, industrial relations and trade unionism, with special reference to the so-called 'new realism' forms of industrial relations. Against a background of the erosion of 'traditional' British industrial relations, following a decade and a half of the enterprise culture, with associated restrictive trade union legislation and major economic recessions, the following questions are addressed. What is 'traditional' industrial relations, and does it still exist? What changes have occurred, why, and are they likely to be reversed with a change of government? If the industrial relations system now exhibits a 'new realism', is this compatible with the 'hard' and 'soft' models of HRM, and in what sense?

Up to this point in this book, a conventional 'textbook' approach has been adopted – an implicitly positivistic stance in which various propositions about HRM have been explored (perhaps 'tested' is too strong a word!) in the light of available empirical evidence. The analysis, hopefully, has been logical, ordered and rational. Yet the 1980s saw the rise, in academic and literary circles, of an anti-positivistic, 'postmodern' mode of analysis, aimed at 'deconstructing' texts in a spirit of relativistic, 'serious playfulness'. And what, you might ask is postmodernism? I am tempted to reply in the words of a

bemused commentator in the *Independent* (24 December 1987) who concluded 'The word has no meaning – use it as much as possible!' (This response, as you will later discover, is postmodernist – if unwittingly – in both form and content.) More prosaically, 'postmodernism' may be seen to embody two distinct and epistemologically different perspectives. The first is a notion of 'periodisation' – that we now live in new post-Fordist times, that equally may be labelled as times of 'radical' or 'late' 'modernity' or of 'disorganised capitalism', as well as the 'post-modern' age (see Parker, 1992; Giddens, 1990; Lash and Urry, 1987; Clegg, 1990). These new 'post-modern' times, however, may still be researched from an out-and-out modernistic, positivistic standpoint of deductive reasoning, hypothesis testing and so forth. The second 'postmodern' perspective is that of the epistemological shift, already identified above, away from the absolutist facticity of positivism to a relativistic 'deconstruction' of discourse.

So, in Chapter 9, in concluding this critical analysis of HRM, it seems appropriate to locate it in a much broader socio-cultural context than that considered in Chapter 3. In a 'post-modern' world and from a 'postmodern' epistemological perspective, what, as a socio-cultural artefact, does HRM represent? Can it be seen just as a phenomenon of 'post-modern' times or is more to be gained by viewing it from a postmodern epistemological perspective? How do these different perspectives speak to the 'hard' and 'soft' models of HRM? As will be seen in Chapter 9, attempts to grapple with these issues is a complex matter. Suffice to say here that the focus of Chapter 9 is to bring together strands of argument in the other chapters that identify HRM in terms of rhetoric and discourse. Here HRM is 'deconstructed' as a phenomenon whose importance lies largely in its existence as a rhetoric and discourse that serves the interests of a range of influential stakeholders who have an interest in hype-ing the extent and depth of its facticity. 'Deconstructing' HRM here has a serious intent, for in pulling apart its assumptions, exploring its paradoxes and contradictions, postmodern analysis is used 'as a positive technique for making trouble; and an affront to every normal and comfortable habit of thought' (Norris, 1982, p. xi).

Finally in Chapter 10, I return to a conventional analysis to consider the foreseeable future of HRM in the light of future socio-economic trends consequent on investment patterns, globalisation, EU membership and possible governmental change. The quotation mark in the title of that chapter is intentional, but my conclusion probably renders it superfluous.