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# A Review of the Critical Perspective on Human Resource Management

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# **A Review of the Critical Perspective on Human Resource Management**

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## **A Review of the Critical Perspective on Human Resource Management**

### **ABSTRACT**

*The Critical Perspective on Human Resource Management argues that HRM has inherent contradictions derived from its foundation in two different US models that lead to a gap between rhetoric and reality. The gap is interpreted in two ways. Firstly, the Critical Perspective proposes that HRM has only been implemented in rhetoric making it ineffectual. Secondly it proposes that HRM is manipulative and uses soft rhetoric to disguise and gain employee commitment to a hard reality characterized by work intensification and job insecurity. Critiques of the Critical Perspective propose that HRM cannot be both ineffective and manipulative and that the Critical Perspective's view of Human Resource Management is derived from simplistic concepts of HRM and scant and possibly biased evidence. This critique proposes that the Critical Perspective is an academic debate that has had little impact on, or value for, Human Resource Management practitioners.*

**Keywords:** critical management theory, narratives of power, identity management and regulation, rationality and rationalization, new modes of exploitation

### **PAPER TEXT**

This paper reviews the literature on the Critical Perspective on Human Resource Management. To do this it outlines the normative model of HRM before examining the criticisms of this model which include a proposed gap between rhetoric and reality and the propositions that HRM is both ineffective and manipulative. Finally a critique of the Critical Perspective is presented.

### **THE NORMATIVE MODEL OF HRM**

The Human Resource Management (HRM) function, in its prior form, Personnel Management, was focused on administration, welfare and Industrial Relations. Personnel management was the dumping ground for many unwanted tasks and was heavily criticized for being a combination of the functions of file clerk, social worker and fire fighting (Drucker 1954). The Personnel function was treated as less important than other functions such as Finance, Marketing and Manufacturing and as such Personnel Managers could not enjoy high prestige, power and high remuneration, because they could not demonstrate the importance of their function and its strategic value. In particular, desirable behaviors such as high productivity, low turnover, low absenteeism and a low incidence of strikes could reflect

other variables such as the economic environment and could not be solely attributed to the Personnel function. In addition to this, managing people was not the exclusive role of Personnel and its activities could be substituted by managers and others. It is argued that HRM emerged to counter these criticisms, gain credibility and achieve the status, power and prestige of other organizational functions by acquiring a strategic focus and proposing that employees are a source of competitive advantage (Legge 1995; Kamoche, 1996; Kane, Crawford and Grant, 1998).

HRM has its foundation in two United States based models. The Michigan model was associated with a strategic approach, which linked workforce management to organizational strategy and was later defined as hard HRM. The Harvard model emphasized the importance of human resources and was later defined as soft HRM (Poole and Mansfield 1994; Hendry and Pettigrew 1994). This latter model had a unitary perspective that incorporated the concept of “mutuality” including mutual goals, influence, respect, rewards and responsibility which lead to employee commitment, resulting in better outcomes for employees and the organization (Walton 1985). This unitary perspective proposes that what is good for the organization is also good for employees and it does not see conflict in the employment relationship, advocating that organization and employee goals are aligned. It differs from the pluralist conception of employee relations that argues that organization and employee interests are opposed and what advantages the organization will disadvantage employees and vice versa.

These two models were combined into a normative or prescriptive model of HRM which incorporates the policy goals of employee commitment to the organization’s goals based on the soft concept of HRM and strategic integration of HRM with the organization’s goals based on the hard concept of HRM (Guest 1989; Storey and Sisson 1993).

The concepts of hard and soft HRM are central to the arguments of the Critical Perspective. Legge (1995, p.66) explains that soft HRM (developmental humanism) emphasizes “the importance of integrating HRM policies and business objectives, the focus is on treating

employees as valued assets, a source of competitive advantage through their commitment, adaptability and high quality skills and performance”. The stress is on collaboration, which is achieved through participation and generating commitment via communication, motivation and leadership. She explains that the hard model of HRM (utilitarian instrumentalism) focuses on the close integration of human resource policies and practices with business strategy. This model sees employees as a factor in the production process. Employees are considered passive and treated as numbers and skills that need to be deployed at the right price. They are an expense of doing business rather than a source of competitive advantage. The hard model is reminiscent of scientific management because rather than valuing employees as people, it reduces them to passive objects whose value is based on how well they can be used by the organization.

### **THE GAP BETWEEN HRM RHETORIC AND REALITY**

The Critical Perspective, which dominated the UK literature during the 1990's, followed the emergence of HRM as a concept in the 1980's. It argues that there are inherent contradictions within the concept of normative Human Resource Management derived from its foundation in two different United States based models. It is further proposed that the contradictions within HRM may lead to a gap between rhetoric and reality as organizations espouse a soft rhetoric whilst enacting a hard reality (Storey and Sisson 1993; Blyton and Turnbull 1994; Noon 1994; Truss 2001). Storey and Sisson (1993) propose that HRM is prominent in organizational rhetoric proposing that most organizations have a mission statement that makes commitments to its employees who are described as its most important asset but the ideals of HRM fall short of reality. Blyton and Turnbull (1994, p. vii) argue in the preface to their book that the “vocabulary of HRM has surpassed both its conceptual and empirical foundations and that rhetoric has outstripped the reality”. Vaughan (1994) observes that whilst organization mission statements espouse that employee's are their most important asset, organization reality is characterized by impersonal economic rationalism. Noon (1994) asserts that the confusions

and contradictions in the normative HRM literature portray an illusory world. Finally, Becker and Gerhart (1996, p. 796) believe that “at times, there appears to be a major disconnect between what the research literature says that firms should do and what firms actually do”. There is some empirical support for this view. A study by Truss et al. (1997) analyzed HRM policies and programs in eight organizations and found that whilst there were no pure examples of soft or hard HRM in rhetoric or reality, the rhetoric adopted by the companies frequently incorporated the characteristics of the soft, commitment model, while the reality experienced by employees was more concerned with strategic control, similar to the hard model. It was found that even when the soft version was embraced at the rhetorical level there was still an emphasis on improving bottom line performance and the interests of the organization always took priority over the individual employee.

Some commentators have argued that the gap between rhetoric and reality points to the ineffectiveness of HRM as it is unable or unwilling to translate its status enhancing rhetoric into reality. Others propose a Machiavellian agenda where HRM uses rhetoric to manipulate employees. These two perspectives will be discussed in the following sections of this paper.

### **HRM is ineffectual**

Until recently, most research evidence supported the Critical Perspective’s argument that HRM has not been implemented in reality. Skinner (1981:106-14) proposed that HRM was ineffectual saying that "human resources management seems to be mostly good intentions and whistling in the dark" and that HRM is "Big Hat, No Cattle". Kochran and Barocci (1985) found that participative management styles and sophisticated HRM policies were not common; progressive personnel practices had not been implemented; and harsh personnel practices and an aggressive approach to unions were prevalent. Even a decade later the evidence did not support the implementation of HRM. In the United Kingdom, Sisson (1993) found only fragments of HRM in the 1990 Workplace Industrial Relations Survey and Guest and Hoque’s (1993) research indicated that HRM had been implemented in name only, finding that job titles had not changed to reflect HRM in the 1992 Workplace Industrial

Relations in Transition survey. However, by the end of the decade Guest (1999) found employees believed that HRM had been implemented and viewed it positively indicating that it has taken some time for HRM rhetoric to translate in to reality.

### **HRM is manipulative**

The Critical Perspective also proposes that HRM may be a 'wolf in sheep's clothing' that uses soft rhetoric to disguise the hard reality of workplace change that shifts power from the employee to the employer (Armstrong 1987). Guest (1990) suggests that the main impact of HRM in the US may have been to provide a smokescreen behind which management can introduce non-unionism or obtain significant concessions from trade unions. In fact Wright & McMahan (1992) proposed that the main role of SHRM might be to address these institutional aspects of the organization. Willmott (1993) asserts that HRM rhetoric turns employees into 'willing slaves' who negate their own interest because they believe the organization will take care of them. He asserts that HRM's unitary rhetoric disguises the pluralist needs of employees and facilitates the introduction of HRM practices that advantage organizations at the expense of employees. Organizations prey on the vulnerability of individuals who lack the intellectual resources to respond in a way that is not self-defeating. He further suggests that employee's willingness to subjugate themselves results from the sense of identity, security and self-determination that corporate values promise. It appears that rhetoric allows management to manage employee 'insides' which is a less obtrusive and a more effective means of control (Alvesson and Willmott 2002). Sisson (1994) proposes that a rhetoric of empowerment disguises the transfer of responsibility from the organization to the worker. He argues that the rhetoric of downsizing disguises redundancies that have transformed permanent jobs in to casual and contract work increasing the flexibility of the workforce and empowerment disguises a transfer of responsibility from the organization to the worker.

Vaughan (1994, p.26) asserts that "HRM rhetoric communicates an attractive image of people trusting each other, sharing risks and rewards, and united by a strong feeling of identity, but it gives little sense



of the impersonal economic rationalism that characterizes management thinking in the real world." It is further suggested by Vaughan (1994) that the rhetoric of HRM does not make sense when judged against a background of casualisation and reorganization of work that re asserts management authority in a way that resembles Fordism of an earlier industrial era. Storey (1995) argues that HRM is an elegant theory with no basis in reality and that it is a symbolic label for managerial opportunism. Kamoche (1996) suggests that HRM is used as a legitimate device to enhance the status of the function of HRM and reformulate managerial control through a unitary ideology or soft rhetoric. HRM's unitary rhetoric proposes that the mutual interests of employees and organization will be met and encourages employees to trust the organization to take care of their needs. Consequently, employees prefer an individual rather than collective workplace relationship facilitated by unions. Finally, Gratton, Hope-Hailey, Stiles and Truss 1999 believe that HRM's use of soft rhetorical language asserts and legitimizes managerial control through language that espouses individualism, reciprocity and shared commitment. They argue that this rhetoric manages the inherent discontent between organizations and employees and gains employee consent to this control. For instance, the HRM rhetoric of downsizing disguises redundancies that have transformed permanent jobs into casual and contract work, increasing the flexibility of the workforce.

In conclusion, the Critical Perspective proposes that HRM only pretends to be concerned for workers whilst reasserting management control. It believes workers are exploited through work intensification, downsizing and casualisation of the workforce and that this exploitation is possible because HRM uses soft rhetoric to disguise hard reality leading to a gap between rhetoric and reality. However, the picture is complex. There is no doubt that downsizing, limited career paths, casualisation, extended working hours and increased stress increased in the 1990's and had a mainly negative impact on employees. It could also be argued that the decline of unions and the prevalence of employee contracts put employees at risk. The acceptance of these changed conditions by employees does point to manipulation by management. On the other hand, increases in employee participation schemes deliver autonomy, ownership and job satisfaction to employees. This points to a unitary outcome that delivers simultaneous benefits to both employers and employees.

## **A CRITIQUE OF THE CRITICAL PERSPECTIVE**

The Critical Perspective presents two contrary views of HRM leading to a major contradiction in the Critical Perspective on HRM. The Critical Perspective proposes that HRM rhetoric rather than reality has been implemented motivated by a desire to increase the status of HRM. It suggests that HRM is ineffective because only a name change differentiates HRM and its precursor Personnel. However, the Critical Perspective simultaneously presents HRM as a predator that uses a unitary, soft HRM rhetoric to obscure a hard reality characterized by increased management control and diminished job security for employees. The first proposition describes HRM as powerless and the second as powerful. Guest (1999) comments that there is irony in a perspective that argues that HRM has not been effectively implemented and simultaneously suggests that HRM is powerful enough to manipulate employees.

Other criticisms point to methodological flaws in the Critical Perspective's arguments. The Critical Perspective uses a hard and soft distinction to support its central thesis that there is a gap between rhetoric and reality; however, it has been proposed that this dichotomy is a limiting framework to develop an understanding of the complex function of HRM. In addition to this, it is proposed that the critical debate occurs in a vacuum because data from all key stakeholders, including management, employees and the HRM function is discounted because the arguments of the Critical Perspective suggest that this data will be flawed. Consequently, the Critical Perspective's debates rest on the observation of the researchers who may employ selective perception. As a consequence there is limited evidence to support or refute its arguments (Guest 1999; Keenoy 1999).

Finally, the Critical Perspective is accused of indulging in criticism without providing a viable alternative. Guest (1999) proposes that the Critical Perspective may be setting up HRM as a "straw man" that can be critically analyzed by academics. Keenoy (1999, p.1) suggests that the paradox is that whilst the Critical Perspective makes many academic criticisms of HRM, in practice HRM grows stronger with "mounting evidence of conceptual fragmentation, empirical incoherence and theoretical vacuum". He suggests that HRM either feeds on its own inadequacies and ambiguities or academics

are failing to see what it is. The debates in the Critical Perspective have paralleled the prescriptive literature on HRM and its criticisms of HRM have continued even though other literature argues that HRM has been progressively implemented. Several commentators suggest that HRM is an academic rather than applied discipline and that there is polarization between writers and practitioners that behave as two discreet groups that exert minimal influence on the other. In particular, a number of studies show that despite of theoretical and empirical advice available many organizations fail to take up effective approaches to HRM (Kane, Crawford & Grant 1999). Academics debate what HRM means, how different it is, whether it is a good thing, or if it exists whilst practitioners get on with the reality of managing people. Armstrong (2000) proposes that HRM rhetoric should refer to the rhetoric of academics not practitioners who see little relevance in the academic literature.

Whilst the Critical Perspective describes HRM as ineffective or manipulative, reality may be more complex. HRM may play a valuable role in managing the inherent tension and conflict between the organization's demand for control of employees and the individual needs of people in work. Keenoy (1999) suggests that inherent contradictions within HRM dissolve when it is viewed as a complex, holistic process that is best understood through the metaphor of the hologram.

In conclusion the Critical Perspective argues that HRM has inherent contradictions derived from its foundations in two different US models. It is proposed that this leads to a gap between rhetoric and reality. This gap has been interpreted in two ways. Firstly, it proposes that HRM is ineffectual and has only been implemented in rhetoric. Secondly it proposes that HRM is manipulative and uses soft rhetoric to disguise and even gain employee commitment to a hard reality. Critiques of the critical perspective propose that HRM cannot be both ineffective and manipulative and this view of HRM is derived from simplistic concepts of HRM and scant evidence which may be biased. It is also proposed that the critical perspective is an academic debate that has had little impact on and value for HRM practitioners.

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