INTRODUCTION
Human resource management in context

This book is about human resource management (HRM). Each of the 50 essays or 'key concepts' that comprise the core of the book says something significant about what HRM is, has been, and is becoming. This introduction gives context to the concepts discussed in this book by giving a brief definition of HRM as a concept and by highlighting some of the current debates in the combined fields of HRM theory and practice.

HRM: putting people in boxes?

In general language terms, a concept refers to an idea, and especially an abstract idea that in scholarly terms can be classified in pursuit of organising knowledge and human experience. HRM is an experience that most of us undergo; most of us experience some form of employment; most of us experience 'being managed'. In such contexts, not all of us are equally enamoured by being labelled 'human resources'.

In the tradition of studies in management, concepts often appear as discrete 'boxes' in models connected by arrows that seek to trace the relationships between such concepts, for example, in attempting to describe processes of cause and effect. Consequently, reference to 'HRM' as a field of study and professional practice might appear at face value to put people into such a 'box', i.e. a box labelled 'resources' that contains other strategic organisational resources such as capital and equipment, and (less tangibly, perhaps) time, knowledge and organisational brand. Many organisations continue to claim that 'people' represent their 'greatest asset', whereas some senior members of these very same organisations might perceive these same people as the major generator of cost (cf. Mayo, 2001).

In selecting, listing and connecting between key concepts in HRM for this book we have followed scholarly tradition: we use

these concepts to organise current HRM knowledge and experi-
ence. However, we do this for ease of reference only and not because
we believe that people experience HRM in this compartmentalised
way. We keep in mind that 'human resources' have been people long
before they became 'employees' or 'managers' – human resources
both – in any given organisation.

A brief history of people management

It is valid – and perhaps more honest – to refer to HRM as 'people
management' (cf. Rowley, 2003). The practice of people manage-
ment has a long history. Indeed, writing on the area dates back to at
least the 1st century, with Columella, a Roman farmer and former
soldier whose *De Rustica* featured one of the earliest tracts on people
management. The more recent incarnation of the management
of people as HRM has earlier guises. This range includes the more
obvious ones such as personnel management (PM) as well as those
concerned with notions of 'welfarism' and 'paternalism', with many
examples around the world from what were often labelled 'enlight-
ened employers' and those trying to ameliorate some of the harsh-
ness of industrialisation and provide basic working conditions. While
somewhat historical, these management forms are not totally exclu-
sive and modern versions and examples can be seen, to greater or
lesser extents, in each of these.

Personnel management

The phrase 'personnel management' (PM) continues to be used in
some contexts as synonymous with HRM. These contexts tend to
be given in reference to bureaucratic organisations and institutions
where objective stability and rational (albeit largely inward-looking)
decision-making and steeply vertical hierarchical report lines are
emphasised (cf. Weber, 1947). In such organisational contexts, man-
agement mindsets that draw on impersonalised tradition and estab-
lished approaches towards managing people and interacting with
other stakeholders tend to dominate and thus support perceptibly
rigid interpretations of PM (cf. Flynn, 2007; Torrington et al., 2008).
However, the concept of PM lives on in more general contexts for
HRM theory and practice, as in the title of the Chartered Institute
of Personnel and Development (CIPD), the UK-based community
for HRM professionals (available at www.cipd.co.uk). Consequently,
readers might wonder whether there are any real, 'hard' differences

Table 1 PM and HRM: key distinctions

	Dimension					
	Implementation	*Stance*	*Practices*	*Timescale*	*Level*	*Importance*
PM	Professional	Reactive	Ad hoc	Short	Operational	Marginal
HRM	Line		Proactive	Integrated	Long	Strategic	Key

between earlier forms of managing people (as illustrated by the Columella example above), PM, and more contemporary, post-1980s HRM. In relabelling activities that formerly distinguished PM now as HRM, some readers might ask whether we are simply putting 'old wine in new bottles' (Armstrong, 1987); readers might ask whether by attempting to rebrand PM as HRM we are merely engaging in a scholarly attempt to apply scholarly 'rhetoric' to the complex 'reality' of managing and working with people in organisations (Legge, 1995).

If pressed, HRM scholars might argue that we can tease out useful distinctions between PM and HRM, not least in the six areas illustrated in Table 1.

During the so-called 'golden age' of Western-style planned economies from the 1950s to the oil and currency crises of the 1970s, PM appeared to offer most answers to 'people management' problems in response to relatively stable or expanding business and employment opportunities (cf. Bratton & Gold, 2007; Tyson & Fell, 1986). Correspondingly, PM also became readily associated with the type of bureaucracy that introspectively assumed a significant degree of stability in the strategic environment for management decision-making and, thus, assuming a relatively smooth flow from stage to stage in what Torrington et al. (2008) identify as the 'personnel/ HR process' or cycle from **resourcing** to **development** to rewards and to **employment relations**. This staged division is reflected in the domains underpinning the organisation of, and cross-reference between, concepts discussed in this book.

HRM as a 'paradigm shift'

Against this general background the concept of HRM can be regarded as having emerged from established references to PM (cf. Storey, 1989). In terms beloved of researchers, the move from the

aforementioned PM to HRM can be described as a 'paradigm shift', i.e. a shift in emphasis and mindset in respect of what a sufficiently influential cadre of HRM scholars and practitioners appear to interpret generally as 'achieving organisational objectives through people' (cf. Armstrong, 2006; Mullins, 2006). Establishing a mindset that seeks to explore and interpret HRM as a patterned series of activities and interventions that should serve to add business value to the organisation allows for interpreting HRM as a series of activities that can be explained and, if needs be, justified in relation to helping the organisation achieve its business objectives. Interpreted thus, HRM becomes a 'strategic' activity, thus allowing 'strategic HRM' to emerge as an elaboration of the HRM paradigm (cf. Mabey & Salaman, 1995). Retrospectively, therefore, identifying and then attempting to operationalise shifts in emphasis between PM and HRM might serve to develop a more strategically sensitive approach to any over-generalised 'people management' mindset. Thus, HRM decisions should be justifiable with reference to a business strategy that itself is responsive to changes in the organisation's strategic business environment. One common criticism of the PM mindset was that it encouraged retrospective thinking along the lines of 'it's worked well so far so why should we change it?'

HRM as a management concept

As a management concept, HRM came to greater prominence during the mid-1980s with researchers identified collectively as the Harvard School (Beer et al., 1984). This framework usefully outlined several areas and linkages, including the diverse stakeholder interests and the impacts of situational factors that feed into HRM policy choices and HRM outcomes leading to long-term consequences. At about the same time the 'Michigan School' (Fombrun et al., 1984) sought to emphasise the strategic interconnectedness of HRM activities and, above all, of HRM decision-making. This outlined the key areas of HRM and their linkages and feedback loops between them, with 'performance' the outcome – a causal assumption explored in more detail below and discussed subsequently in this book under the concept heading **models of HRM**.

To illustrate such ideas we note the following. Management decisions with regards to job design will have resource implications for staff **selection** procedures: for example, the type of people who are likely to apply for a given job vacancy and are likely to be accepted for it. The consequences of selecting this or that candidate will have

implications for the future appraisal of new and existing employees. Differentiated performance appraisals will have resource implications for reward management and, where relevant, provision of further **training and development**. This more integrated approach towards managing people can be interpreted as being more strategic than traditionally associated with PM, where – in the illustration set out above – the emphasis might be on 'fitting' people to an existing job rather than remodelling job design.

Related to HRM here are concepts of human capital development (HCD) and human resource development (HRD), where the emphasis is on managing the development and expression of skills and intelligence that people as employees might bring towards adding value to the organisation and, ultimately, its customers and other key stakeholders. In a contrastive emphasis, HRM tends to emphasise people and **development** as costs (cf. Mayo, 1999, 2001). Related concepts to HRD/HCD include social capital, intellectual capital and organisational capital management and development. Each of these overlapping concepts assumes that those managers assuming the responsibility and opportunity to 'manage people' are also able and willing to recognise, encourage, guide and co-ordinate the intelligence, skills, motivation and effort that employees individually and collectively bring to their work in organisations (Davenport, 1999; Mullins, 2006; Schultz, 1961).

Linking HRM to performance

As highlighted in Table 1, one of the key variables in the practice of HRM is business strategy. Organisations clearly have varied business strategies, each with implications for HRM. We can see these in a range of management and business models. These include so-called 'lifecycle' models (cf. Kochan & Barocci, 1985), where 'start-up', 'growth', 'maturity' and 'decline' phases appear. Porter (1985) has 'cost reduction', 'quality enhancement' and 'innovation' as generic strategies, each of which will seek a distinctive HRM response. Another version is Grubman (1998), which aligns HRM practices to strategic styles labelled 'products', 'operations' and 'customers'. Earlier role-attribution models such as 'defender' and 'prospector' (Miles & Snow, 1978) have been developed into 'internal' and 'market type' employment systems (Delery & Doty, 1996). What these typologies indicate is that there are various organisational-related impacts on how people are managed in terms of both HRM policies and practices, and as illustrated in Table 2.

Table 2 Impacts on types of HRM

Impact on organisation	Impact on HRM	Timescale focus	Option range
Phase Maturity; decline	Resourcing		
		Short	Simple–complex
Strategy Cost; quality; innovation	Rewards		
		Long	Cheap–expensive
Focus Product; operation; customer	Development		

Other writers have been at the forefront of emphasising how HRM as a people-oriented management process needs to justify itself with reference to business performance; and, increasingly now, with some assurance that HRM interventions serve to add value to customers (cf. Huselid, 1995; Huselid et al., 1997; Varma et al., 2008). Several concepts in this current book make explicit connections to individual, team, and organisational performance; others immediately imply such connections, as in the first concept listed in this book: **assessment**. In truth, many HR managers – together with line managers, team leaders, and other managers with some level of HRM responsibility and opportunity – often appear to forget this, focusing too determinedly on the 'here and now' of their contribution to organisational performance and underemphasising (as suggested in Table 2) the complex and long-term 'value added' that HRM might secure.

HRM across business sectors

This shift in emphasis accorded to HRM has impacted on people management activities across a full range of business sectors; not least, in public sector organisations, non-profit/not-for-profit organisations, and non-governmental organisations (NGOs) which, in combination, remain major employers of people worldwide. To illustrate, under the so-called new public management (NPM) paradigm, even public sector organisations began to recognise the relevance of conversion to an HRM rather than a PM framework in order to make their decisions more systematically 'market-oriented'. This can be

seen, for example, in ascribing more of a customer/client status to the taxpayer as a 'consumer' of public services (Flynn, 2007).

HRM across national contexts

Another approach towards both broadening and deepening our understanding of HRM is to develop less ethnocentric and more nuanced, context-responsive and hence more suitable models of HRM that reflect not just countries but also regions, such as Europe and also Asia (cf. Rowley & Benson, 2002; Rowley & Warner, 2004, 2007; Rowley et al., 2004; Zhu et al., 2007). Much of what we have discussed thus far has its conceptual origins in what might be termed 'Western' contexts for HRM practice and research, i.e. in those organisations and institutions concentrated in North America and Western Europe. In a parallel though relocated exercise, Zhu et al. (2009) highlight general trends of HRM changes in terms of people management systems and illustrate the underpinning factors, for example, traditional values and culture, historical evolution, political and economic changes, and characteristics of society, industry and firm in each country) that determine the formation and reformation of management thinking as well as HRM policies and practices.

Indeed, it is possible to interpret the so-called 'paradigm shift' from (localised) PM to 'global HRM' as demonstrating primarily efforts among (mainly) Western scholars to impose some sense of order and control on processes that are vital, complex and still loosely defined (e.g. globalisation) and yet remain fundamental to attempts to interpret organised and 'managed' human endeavour, regardless of social, economic, political and cultural context (Harry & Jackson, 2007). For, we are in the end still talking about 'managing people', as expressed in the title of the recently rebranded house journal of the aforementioned CIPD: *People Management*. To reiterate: we are, ultimately and enduringly, talking about managing and working with people, developing them such that the organisations they work in are able to adapt effectively to changes in their local and global business environments (cf. Marchington & Wilkinson, 2008).

HRM: a working definition

Out of this wealth of scholarly activity, and connecting between research and the evolving complexities of real-life management experience, is it possible to glean one stable definition of the HRM concept? The answer is 'no'. For, and as illustrated in this introductory

discussion, the precise nature and future of HRM as a concept and as a management activity remains uncertain; the definition of HRM remains a work in progress.

To illustrate, one working practice-oriented definition of HRM interprets the concept as 'a strategic and coherent approach to the management of an organisation's most valued assets – the people who are working there who individually and collectively contribute to the achievement of its objectives' (Armstrong, 2006: 3). A broader and more inclusive view is to see HRM as the management of people. This is in terms of managing people in the broad areas of **resourcing** (varieties of **recruitment** and **selection**), rewarding (forms of pay), developing (forms of training and **assessment**), and the building and sustaining of relationships, primarily here, **employment relations**.

Against the background of our discussion thus far, this definition 'works' in that it is coherent (i.e. it 'makes sense') and it is consistent in that it might be applied usefully across a wide range of management, organisational and strategic business contexts. However, as a working definition it is not perfect: it raises as many questions as it answers. To illustrate:

- This interim definition compounds the assumption (alluded to in the above discussion) that human beings can be usefully described as 'resources': the term used is 'assets'. How reliable – or ethical, even – is this form of labelling?
- Who defines the relative 'value' of the 'assets' as the 'people' working in an organisation? How is this/their 'value' to be measured over time?
- In terms of measuring and rewarding the relative performance of these 'assets', where are the boundaries to be drawn between 'individual' and 'collective' contributions, and why?
- To what extent is a unitary perspective and ethos implied or integral to the lexicon, stance and practices of HRM and can there be a pluralist HRM?

These represent the type of questions relevant to all levels of research into current and emergent practices in HRM, and, indeed, in business and management generally (cf. Saunders et. al, 2007). These also represent the type of questions addressed by subsequent entries in this book.

Finally, no matter what the view or stance we take on PM, HRM and so on, it is useful and instructive to recall the following pithy

points. That is: 'People are the only element with the inherent power to generate value. All other variables offer nothing but inert potential. By their nature, they add nothing, and they cannot add anything until some human being leverages that potential by putting it into play' (Fitz-enz, 2000: xiii). There is an ongoing debate about the importance of this or that function and role in organisations that the organisations would not be there or survive with it. People are difficult to manage; however, they are also *primus inter pares* compared to other aspects of organisations. This book is designed to help readers understand why.