

“Best Perspectives to Human Resource Management”

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1.0 Introduction, Perspectives in Management and the genesis of Human Resource Management.

Human Resource Management is increasingly considered a contemporary development that continues to reshape employment relationships (Beardwell, Holden, and Claydon, 2004). An attempt is made to consider it a tool that may have effectively replaced other management traditions like Personnel Management (PM) and Industrial Relations (IR), (Sisson, 1993). Another driver is to analyse a bundle of best practices (Purcell, 1999) such as high commitment management and their impact on employment relationships. What ever the direction Human Resource Management remains a contemporary but evolving science dealing with complex beings, in complex organisations and environments (Cusworth and Franks, 2003). Its attachment to business strategy and performance has given credibility to the descriptive of Strategic Human Resource Management (Analoui, 1999) and also facilitated broad thematic divide as to which practices are tailored from the traditional methods like Personnel Management (PM) and contemporary Human Resource Management itself. This thematic divide is now enhanced in approaches referred to as the “hard” and “soft” Human Resource Management.

Section one will therefore attempt to highlight the different perspectives in management so as to arrive at a holistic or integrated understanding of Human Resource Management. It shall attempt at broadly categorising three management perspectives or

systems: the Scientific or Closed Management, Human Relations or Semi Open system and the Open or Contingency system. Based on these categories it shall high light characteristics of personnel management (PM) and the define it (1963: The British Institute of Personnel Management). It shall then attempt to trace the emergence of Human Resource Management (HRM) linking it to the deflations of 1980s, the increase role of markets, privatisation and non-unionism which resulted in a shift from the rigid regulations of Industrial Relations (IR) and collective bargaining to outsourcing and downsizing (Beardwell, Holden, and Claydon, 2004). Based on Bratton and Gold (2003), this chapter will also attempt a definition of Human Resource Management (HRM). It shall outline the characteristics of “hard” and “soft” Human Resource Management and high light the debate between Human Relations (HR) and Human Resource Management. (Storey, 1992). This is sought through an understanding of the human resource manager and his role in reshaping employment relationship and in effecting organisational and individual performance.

Section Two will seek to establish HRM as a framework. This is done by perceiving it as a style (Legge, 1995). This enhances understanding of “soft” and “hard” which Legge (1995), stylised as ‘developmental humanism’ and ‘utilitarian instrumentalism’. It shall consider HRM as a strategy emerging from the location of HRM in the achievement of organisational goals. This orientation towards business is a key while practices such as better recruitment, selection criteria and reward systems are considered as vital tools.

Section two shall consider whether HRM is a restatement of PM, a new managerial discipline, resource- based management discipline or a strategic or international function.

Section Three shall attempt to use the “Harvard” (Beer et al, 1984), Michigan (Fombrun, Tichy and Devanna, 1984), Guest (Guest, 1997) and Choice (Analoui, 2002) models in analysing the impact of HRM on outcome, performance and strategy. It shall then outline the advantages of the Choice Model for Effective HRM.

Section Four shall attempt to link role of senior management as choice makers. It considers them policy makers affected by internal and external frames of references. It shall measure HRM and managerial effectiveness, change and improved performance. It will attempt to link these approaches to key functions of planning (Whittington, 1993, 2001), recruitment and selection, career development and training, as well as appraisal.

Section Four will use the Japanese model of HRM (Beardwell, Holden, and Claydon, 2004) to illustrate tested practices on the ground. This will give insight to issues that remain strategically embedded in old HR traditions and modern, flexible, open approaches.

Section Five is the conclusion. It shall return to literature to affirm the wide spread use of HRM today (Redman and Wilkinson, 2001). It shall assert the evolving nature of HRM, linking it to performance and best practices for qualitative organisational success (Purcell, 1999). It shall raise the issue of ambiguity in defining HRM due to debates between HR supporters and HRM critics.

It proposes need for holistic thinking and right-based approaches to sustainable management (Bagshaw, 2004). With this, the thrust of assessing the development of HRM using “soft” and “hard” approaches and the various listed models is achieved. Also, an explanation of the influence of senior management is arrived at.

1.1 Scientific or Closed Management System, Human Relations or Semi open system, Open or Contingency system

The closed system placed much bearing on industrialisation. It is also referred to as the traditional or classical system working on the presumption that the bigger the organisation the better (Barber, 1970). Organisations were mechanistic, technical and very bureaucratic. This heirarchist structure put owners at the top of every thing while managers worked to ensure employee compliance for the profit maximisation of owners. It was founded on rigid rules and regulations and sought the control of employees. Work was designed as tasks while maximum output was organisational goal.

It placed little emphasis on employee welfare. Human Relations as a science was not developed. The emphasis was on employee survival.

The Semi-open or Human Relations system was a progress from the rigidity of the scientific or closed system (Harrison, 1997). It was semi-Mechanistic or socio technical. It retained the hierarchical structure and bureaucracy of the closed system. It however placed emphasis on managers while considering employees as groups of people with interests and dynamics. It sought organisational performance through tasks and control. It ensured worker's loyalty or compliance through negotiation. It therefore merged employee survival to their development and welfare and stood for team based pay (Harington, 2000). Managers tended to be specialists or personnel managers while task, people related training, collective bargaining and trade unionism were key features. This system gained grounds following the end of colonisation in the 1960s.

The third management perspective is the Open system. (Beardwell, Holden, and Claydon, 2004). It stood for a radical move from the notion that the bigger an organisation the better. Organisations tended to be smaller and considered organic entities interacting with environment. It did not consider employees as any other resource that needed to be acquired cheap and controlled. It sought for the superiority of human resources as backbone to organisational performance. Therefore, task, employee teams, and individual development were merged into business strategy. The stringent rules of the classical approaches were abandoned for self regulation, business orientation, and proactive measures, so as to achieve competitive advantage. Quality was the undertone of employment relations (Dessler, 2003). The role of the human resource manager became long term strategic and dwelled on performance. To better understand the extent of shift from the semi-open system, personnel management and personnel manager are discussed below.

1.2 Personnel management/Personnel manager

Based on The British Institute of Personnel Management (1963), key features of personnel management included “a responsibility of all those who manage people as well as being a description of the work of those who were employed as specialists”. It aimed at efficiency and justice and emphasised on organisational development through the bringing together of the men and women in the organisation and enhancing their individual and collective contributions to organisational success. It stood for fair terms and conditions at work. It should be however noted that categorising “men” and “women” as different entities still hints the labour intensive practice of the closed system where the survival not the welfare of workers was important(Guest, 1990).

Therefore a Personnel manager was one charged with employees' welfare at work, loyalty to employer, conformity to organisational and external cultures as well as adjusting the enterprise to the challenges of its environments. The use of words like 'charged', 'loyalty' and 'conformity' hint the magnitude of powers kept by personnel managers and the top-down orientation of their work.

1.3 The Genesis of HRM/defining HRM

Jacoby (1997) and Foulkes (1980) link the beginning of HRM to employment practices of the 1930s in the United States in which welfare capitalism gained favour to trade unionism and collective bargaining. Through regular employee opinion surveys welfare capitalists achieved employee commitment by granting long term employment and other corporate advantages like pay lay-off. This climate was fuelled by Roosevelt's New Deal Programme (Beardwell, Holden, and Claydon, 2004) and led to welfare capitalists providing care coverage and pensions for their workers. With foreign competition from countries like Japan in 1980s, the US economy (Devanna et al, 1984) had to adjust, by augmenting workers' welfare to ensure productivity. In the UK the 1980's also saw increase product market competition and forced government to reshape employment relations from industrial relations to the more people based HRM. Worthy of note is the fact that Kaufman (1993) has ascribed that both welfare capitalist (soft HRM) and anti-union employers (hard HRM) are embedded in American employment relations as a result of pluralist industrial relations.

Therefore HRM according to Bratton and Gold (2003) is "a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities

is critical in achieving competitive advantage". Achieving this was through a distinct set of employment policies, practices or programmes which Purcell (1999) has qualified as HRM "bundles". HRM bundles can best be understood by defining hard and soft HRM below:

1.4 What is "hard" and "soft" HRM?

Hard" HRM embraces all those elements in employment relations laying emphasis on employee's compliance, quantitative output, managers, task and the development of the organisation. "Soft" HRM will tend to favour flexibility, negotiation, performance, quality, recognition of environments and rights in employment relations. It is more strategic and long term (Analoui, 1999). Another way of understanding soft and hard HRM is by looking at the debate between HRM and HR.

1.5 The debate between Human Relations and Human Resource Management

Guest (1987) differentiates HR and HRM in terms of the psychological contract, locus of control, employee relations, organisation principles and policy goals. To Guest HR favoured contracts, collective behaviour and low trust meanwhile HRM favoured reciprocal commitment, unitarist unlike pluralist approach to management. It considered the organic nature of institutions, flexibility and a decentralised administration. The policy goals of HRM were adaptive work force unlike administrative efficiency, standard performance cost minimisation in personnel management.

The Human Relations/HRM debate	
Human Relations	HRM
Administrative	Strategic
Reactive	Proactive
Ignorant of market	Change
Separated	Integrated
Consensus	Commitment
Efficiency	effectiveness
Specialist function	

Table1 illustrates key issues discussed in detail in such models as the Storey (1992).

1.6 The HRM manager and his role

As a result now of a clearer understanding of the origins of HRM, the difference between “hard” and “soft” HRM, and the various management perspectives, the role of the human resource manager can be listed as strategic not administrative, recruitment and selection not staffing, developing employees for them selves, their organisation and their society not just training, managing relationships and change, motivating as well as appraisal not evaluation as with traditional management (Analoui and Karami, 1999). With this understanding HRM as a frame work for employment relations becomes imperative.

2.0 Attempting a framework for HRM

The best attempt to make a holistic assemblage of all the divergent elements of human relations management is by considering a framework that treats HRM, as a style, strategy and an outcome.

2.1 HRM as a style, a strategy and an outcome

The antecedent to HRM as a style is linked to Watson’s (1977) analysis of the professional role of personnel managers and Legge’s (1978) analysis of their political location in an organisation and Tyson and Fell’s (1986) analysis on the style of their tasks

(Beardwell, Holden and Claydon, 2004). HRM as a style revolved around soft and hard approaches in employment relationship. The hard style laid emphasis on cost minimisation, the leanness in production and resource-based view of labour. The soft style involved the integration of individuality, values such as trust and commitment to the business strategy of the organisation. Legge (1995) referred the soft style as “developmental humanism” and the hard style as “utilitarian instrumentalism”.

HRM as a strategy emerges not only from literature review but from practitioner activities in US models of 1980s. HRM inputs in the UK National Health Services for example have demonstrated effectiveness in organisational planning and performance. Their inclinations to better recruitment and selection procedures and better reward system in given organisations have propounded the viability of HRM (Beardwell et al, 2004).

More so, the 1990s saw HRM from the perspective of outcomes of organisations using HRM principles in achieving their strategic goals. This concept originated from the United States, and was embedded in the work of McDuffie (1995) and for the UK, West and Patterson (1997). To these authors grouping together HRM practices led to “quantifiable improvements in organisational performance” (Beardwell, Holden and Claydon, 2004, pp, 9).

With such a framework HRM tended either to be considered a restatement of personnel management, a new managerial discipline, resource-based managerial function as well as a strategic and international function.

2.2 Is HRM a restatement of Personnel Management?

Legge (1995) denies any major underlying differences between the values of personnel management and HRM. According to this school personnel management had

embedded potentials to evolve into the values now called HRM. Armstrong (1987) points the possibility of a clash between values of HRM and the business focus of the organisation. To Armstrong HRM is just the “case of the emperor’s new clothes”. Keenoy (1990a), considers it “a sheep in wolfs clothing” and enhances the ambiguity of the term that could mean almost anything in management. However this rejected by Guest (1987, 1989) who upholds that HRM more suitable and better in achieving ‘strategic integration’, high commitment (Wood, 1995) and flexibility.

2.3 Is HRM a new managerial discipline?

This view regards HRM as a fusion of IR and PM to create a new management discipline. This tends to support the broadness of HRM. Literature on HRM links organisation performance to a wide range of actions such as motivation, unitarism, strategic human resource management (Fombrun et al, 1984), stakeholder analysis, organisational culture and structure. What ever the case, HRM is a widespread management instrument today (Redman and Wilkinson, 2001).

2.4 HRM as a resource-based dimension of management

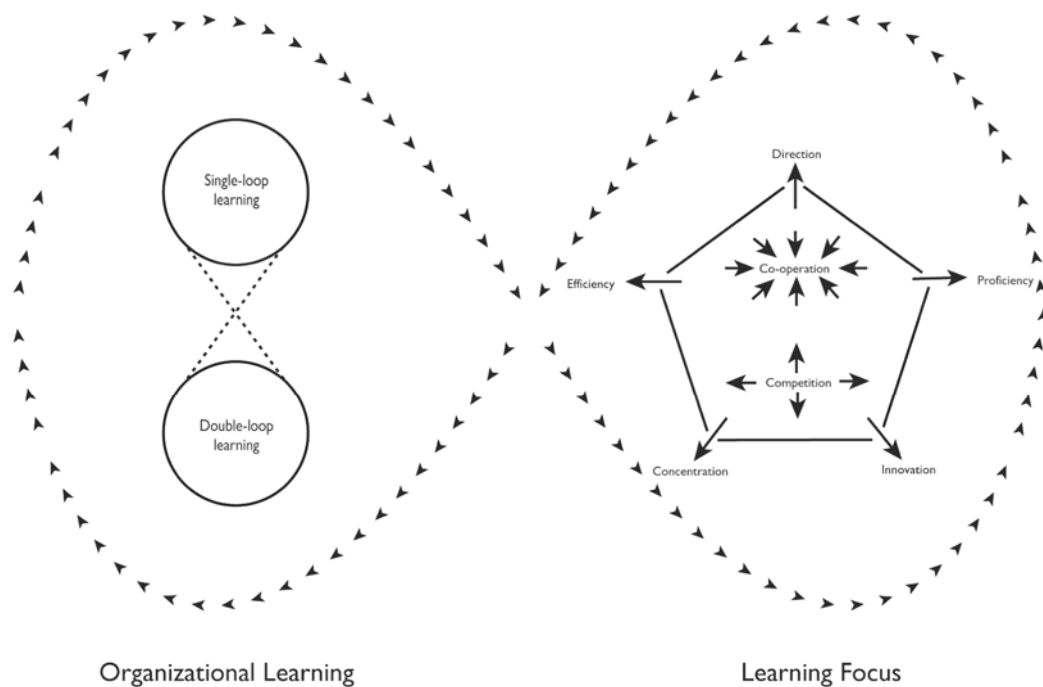
This view stresses importance on individual employees as investments rather than costs. Cost minimisation was embedded in PM leading to categorisation of employees as one of the “aggregate commodities” that needed management in an organisation (Beardwell, Holden and Claydon, 2004). These authors trace the antecedent to this approach to the Japanese soft HRM, which gave opportunities like life long employment leading to higher employee commitment.

2.5 Strategic and International possibilities of HRM

This links HRM to corporate strategy that can some times be international as with MNCs. US and Japanese MNCs, transport their organisational cultures to their subsidiaries making HRM an international function. Ferner (2003) states that US MNCs in the UK account for 50% of Foreign Direct Investment making US HRM visible in the UK fabric. This argument is supported by growing globalisation trends today.

3.0 Using some models of HRM to critically assess HRM 'hard' and 'soft' approaches

In the case of this essay the 'Harvard', Michigan, and Guest comparative model and the choice models will be used. What ever model is used, HRM professionals are expected to be technical, cognitive, flexible and communicative so as to achieve a learning organisation (Senge, 1996) which is efficient and innovative. (Fig1 below)



Source: Adapted from Argyris & Schon (1978) and Mintzberg (1991)

3.1 The Harvard Model

The Harvard model (Beer, Spector, Lawrence, Quinn Mills and Walton, 1984) works as a strategic map to guide all managers in their relations with employees and concentrates on the human or soft aspect of HRM. It strives at employee commitment (Wood, 1995) not control. It also works on the premise that employees needed to be congruent, competent and cost effective.

Human resource flows into the organisation are used for recruitment, selection; through the organisation, placement, promotion, out of the organisation as termination pay.

The reward system was organised to attract and motivate so as to keep employees. Moreover, employee influence was tailored on controlled authority and decision making.

Jobs were also defined and not based on tasks as with classical approaches.

The advantages of such a system lay on the premise that high employee commitment led to better job performance (Beardwell, Holden and Claydon, 2004).

Also as selection criteria were based on competence, it also embraced the element of suitability and flexibility. Using the best employees fit for certain jobs led to effectiveness.

Also, a reward system aimed to attract and motivate held performance appraisal not evaluation as its tool.

Pettigrew and Hendry (1990) also applaud the analytic aspect of the Harvard model as an advantage.

However this system could be criticised by resource based perspective of labour and the argument that soft HRM like the Harvard model may conflict with business focus of the

organisation (Armstrong 1987, Legge, 1995) and also distort cost minimisation and profit maximisation.

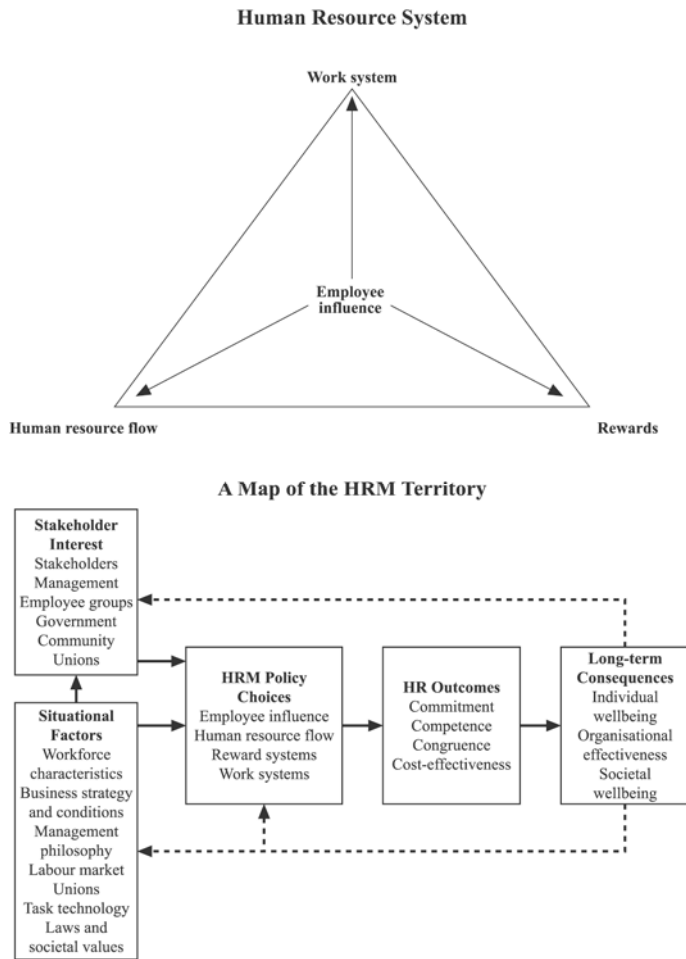


Fig 2 Harvard model & HRM cycle, source: Beer et al, 1984, it works on commitment, congruence, competence and cost effectiveness

3.2 The Michigan model

The Michigan model (Fombrun, Tichy and Devanna, 1984) focuses on hard HRM. It holds that people should be managed like any other resources and so obtained cheaply,

used sparingly, developed and exploited fully. It also emphasised the interrelatedness of HRM activities. According to this model, selection, appraisal, development and rewards were geared towards organizational performance. The notion of the environment (Cusworth and Franks, 1993) was ignored for it ignored situational factors, stakeholder interests and the notion of strategic choice.

It advocated a merger of internal human resource policies with external business strategy.

The advantage of the model laid on its attachment to market performance and organisational growth.

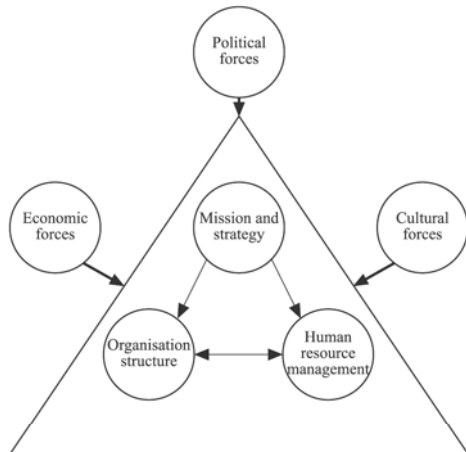
It also led to cost minimisation for employees were regarded as any other resources to be obtained cheaply.

However the disadvantage is the possibility of market failures due to ignorance of environments.

More so, HRM planning to ensure the current and future employment requirements of the organisation was minimal as focus was on business not on human resources.

Besides, with right- based approaches increasingly being used (Bagshaw, 2004) such a model will disintegrate in face of group diversity and intra-group conflict (Chuang et al, 2004) leading to organisational performance failure. Below is an illustration of the Michigan model (Fombrun, Tichy & Devanna, 1984)

Strategic Management and Environmental Pressures



The Human Resource Cycle

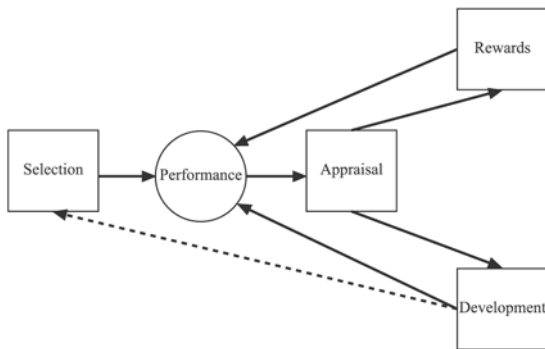


Fig 3, The Michigan model, source; Fombrun, Tichy & Devanna, 1984. HRM cycle; selection, appraisal, rewards & development increase organisational performance

3.3 Guest comparative model

Guest comparative model (Guest, 1997) works on the premise that a set of integrated HRM practices (Purcell, 1999) will result to superior individual and organisational performance. It advocates a significant difference of HRM from PM. It holds that HRM strategies like differentiation, innovation, the focus on Quality and cost reduction will lead to practices like better training, appraisal, selection, rewards, job designs, involvement, and security leading to more quality outcomes; commitment and flexibility. It will then affect performance in that productivity will increase; innovation will be

achieved as well as limited absences, labour turnover, conflict or customer complaints.

The financial outcomes of this are profits and return on investments.

<u>Policies</u>	<u>Human resource outcomes</u>	<u>Organisational outcomes</u>
Organisational and job design Policy formulation and implementation/management of change	Strategic planning/ implementation	High job performance High problem-solving
Recruitment, selection and socialisation	Commitment	Successful change
Appraisal, training and development	Flexibility/adaptability	Low turnover
Manpower flows – through, up and out of the organisation		Low absence
Reward systems	Quality	Low grievance level
Communication systems		High cost-effectiveness i.e. full utilisation of human resources

Guest Comparative model, source Guest (1997)

The advantages of Guest Comparative model are that it tallies with Beardwell et al, 2004, pp 45, that long term innovation is an incidence of close employee interaction, coordination as groups and merging skill development with strategic goal of the organisation.

More so, quality enhancement they argue is a product of relatively fixed and explicit job descriptions, high level employee participation, egalitarian treatment and a modest focus on quantity as in classical approaches.

Also cost reduction could only be achieved without a resource view of labour but in accordance with the career paths of labour (Collin and Watts, 1996) that lead to specialisation, expertise and efficiency. However, the Guest model fails to highlight the level of alignment of HRM policies to organisational goal referred to as vertical integration (Schuler and Jackson, 1987). Sometimes these two are in conflict (Legge, 1995).

Also, the sheer ambiguity of the term HRM also helps to make a model that solely focuses on HRM policies ambiguous (Keenoy, 1990).

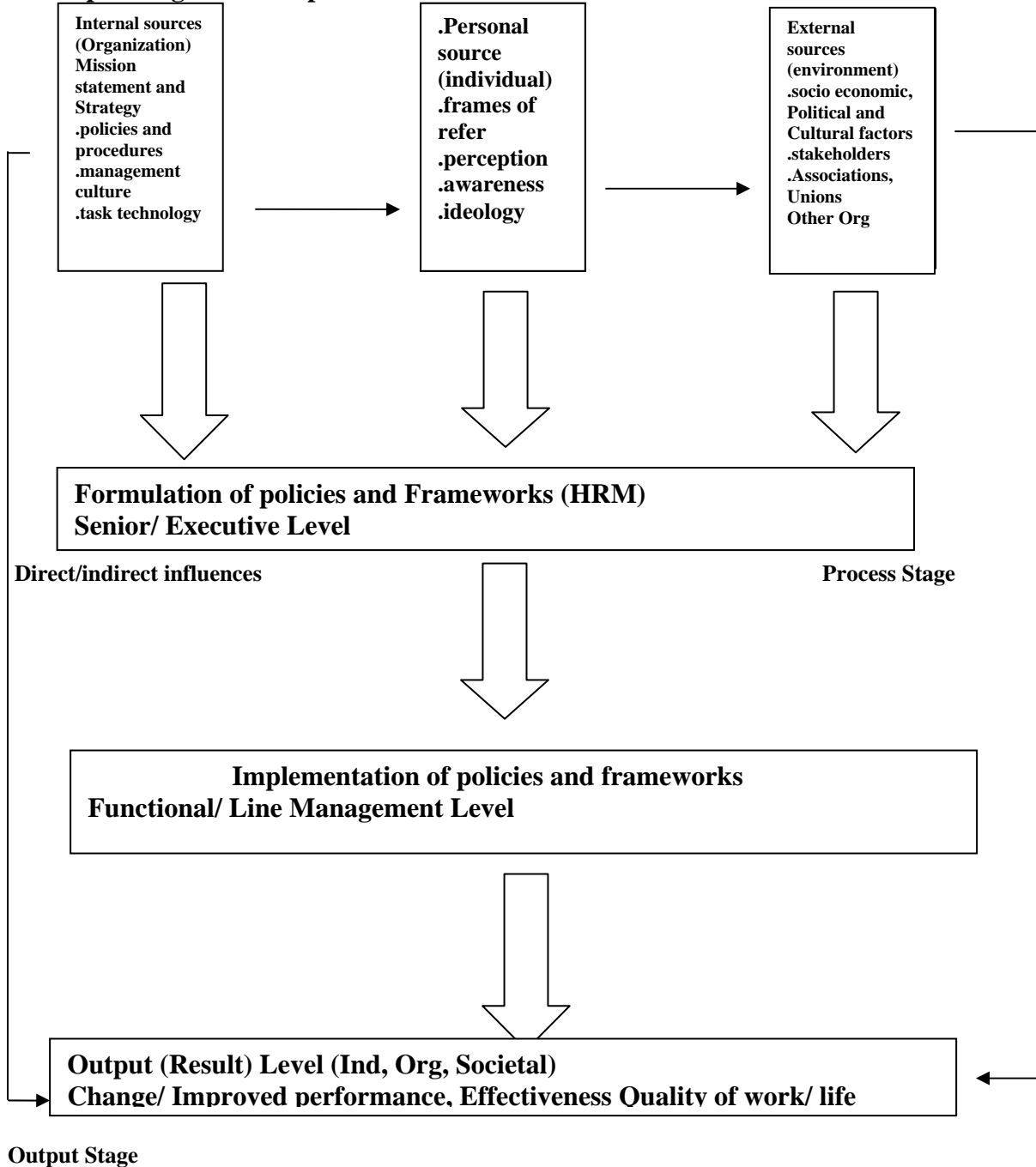
The best inroad will be an integrated strategic choice model (Analoui, 2002, 2007) that will consider the organisational, individual and environmental dimensions of HRM.

3.4 The 'Choice' model and its benefits

The choice model (Analoui, 2002, 2007), is an integrated or holistic model for HRM. It holds those drivers for formulating HRM policies and frameworks are 3 sources namely; the organisation, personal and external. A diagrammatic representation of the model (Analoui, 2002) can be seen below.

Fig 4, “Choice Model”

The Input Stage of HRM policies and frameworks



“Choice model” adapted from Analoui, F (2002) The Changing Patterns of HRM pp.30. Ashgate, UK

The organisational source includes mission statement and strategy, policies and procedures, management culture and task technology of organisation. The personal source constitutes individual frames of reference, perception, awareness, and ideology. The external sources are environmental, hence socioeconomic, political, and cultural and include a wide range of stakeholders, associations, unions and other organisations. These sources constitute the input to HRM formulation leading to a process of formulation of HRM policies and frameworks at the Senior/Executive level. These policies are then transported to functional and line management level and are subject to direct and indirect influences during the implementation which end at an output level that affects the individual, organisation and society. It affects them by bringing, improved performance and effectiveness and quality (Dessler, 2003) to work and life.

The benefits of the choice model include the following:

- a) It is holistic and integrated model that involves understanding of personal, organisational and environmental factors in the formulation of HRM policies. It supports the Stand point of MacDuffie (1995) who advocates a combination of best integrated and complementary HRM bundles to achieve better performance. This position differs with the narrow recommendations of Storey (1992) that HRM bundles should be treated in isolation.
- b) The fact that it involves careful planning and forecasting at the input stage and takes into consideration issues like organisational culture, individual perception and stakeholder analysis makes it proactive not reactive as with PM. It thus is a contingent model that extends the Harvard framework, explores the interrelatedness of inner and outer contexts (Warwick model, Hendry and

- Pettigrew, 1990) without minimising the thrust towards quality, employee participation and high commitment management (Wood, 1995).
- c) The model represents strategic human resource management for the long run (Hiley, 1999). Workers are viewed not as a cost but as an investment (Becker et al, 1997). It involves senior, line management and individuals in HRM. In a sense it is unitarist (Hendry and Pettigrew, 1990) for it assumes that employees are active actors in designing and fulfilment of organisational goal. Striving towards improving performance is usually linked to an adaptive workforce, bottom top, and flexible organic structure which the 'Choice model' advocates.
 - d) Since it considers the inner and outer context of HRM it can be good model in analysing intervention environments (Cusworth and Franks, 1993)
 - e) The outer considerations in formulation of HRM policies in the 'Choice model', lends credibility of using HRM as international function (Ferner, 2003).
 - f) Finally it is effective HRM (Beardwell et al., 2004, pp 715) for it has "the ability of an organisation to meet the demands and expectations of its various stakeholder, albeit some more than others."

However, the model is a process approach that can well be criticised by classical entrepreneurs for not treating employees as one of the 'aggregate commodities' of the organisation hence costly (Beardwell et al., 2004).

Also worthy of importance, is the influence of senior management in effective HRM as discussed below.

4.0 The influence of senior management and their effectiveness

This section treats senior management (Analoui, 1997) as policy makers whose internal and external frames of references can affect their HRM policies leading to effective performing organisations with better quality of work and life for employees. This presumption is however only possible when the HRM policies used are good.

4.1 Policy Makers

HRM policies formulated by senior management affect organisational performance. McMahan (1999) argues that if best practices (Purcell, 1999) were merged through 'a pattern of planned action' (Wright and Roche, 1999:669) or strategy, high organisational performance will be achieved. This school advocates for horizontal integration of resource-based view and certain best practice models (Beardell et al., 2004). Huslid (1995) and Huslid and Becker (1996) hold that high performance work practices were economic assets that result in high level return on investment. Huslid (1995:667) asserts that organisations that engage policies of high performance work practices are associated with changes in market value of \$15 000 and \$60 000 per employee. Therefore senior management are policy makers and affect outcome.

However despite this known fact a CIPD survey (Guest *et al.*, 2000b) and a study by Guest (2000a) hold that 'human resource practices are not well embedded in most work places'. Therefore organisational culture is vital in establishing effective HRM.

4.2 Senior managers and their frames of references

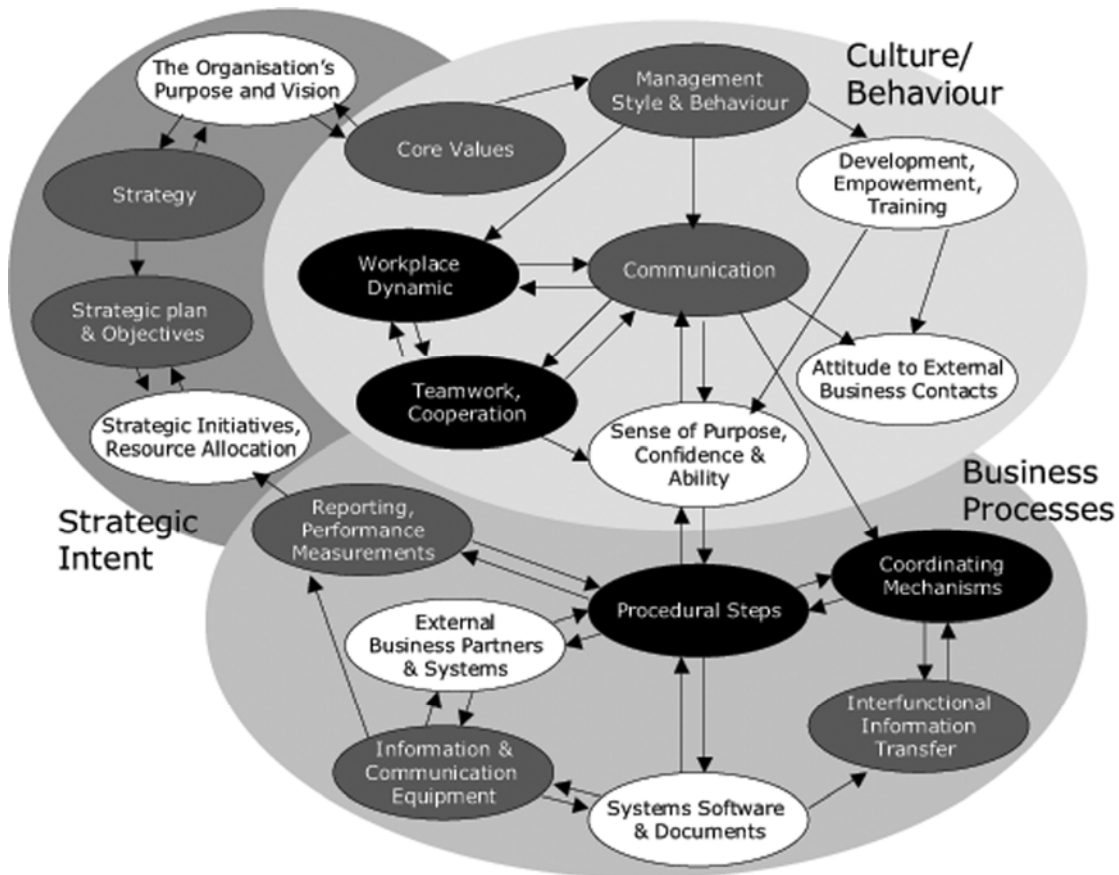
Guest (2001) advocates high employee involvement and commitment to strategic goals of an organisation, resulting in competitive advantage. Therefore if senior management have an internal ideology of commitment to strategy, it will cause positive outcome. Since

their internal references are subject to external factors or changes affecting the organisation, that are mediated by innovation and an adaptive workforce (Pfeffer, 1994). Some internal references include employment security, selective hiring, extensive training, and high pay contingent on company performance while some external references include environmental learning (Marchington and Wilkinson, 2002).

4.3 The more effective the better the policy

Quality HRM considers selection, better rewards, planning and appraisal as leading to effectiveness (Beardwell et al, 2004). Senior management could only be effective if there is strategic integration, functional flexibility, communication, adaptable organisational structure, and high commitment and capacity to manage innovation.

Fig 5, Source: Becker et al, 2001



4.4 The Japanese example

Beardwell et al (2004), identify four perspectives of Japanese HRM namely:

- a) The historical, traces Japanese HRM to the Samurai elite group and their culture of fealty and loyalty, Bushido the way of warriors and Zaibatsu family owned companies by fiefdoms. These cultures translated into businesses which treated employees as family and welfare corporatism after Second World War.
- b) The cultural which is tied to the historical, highlights racial and linguistic homogeneity of Japanese creating corporate nexus.
- c) The advantage of being a late developer, helps Japan for it copies innovative technology instead of designing it (Dore, 1973)
- d) The politico-economic dimension with the state as an active facilitator of capitalism

These perspectives are translated into practices that involve flexible job categories, variety of employment contracts, career development, skill oriented jobs, firm-specific culture and external networks (Sano, 1993). These are outcomes from such policies like lifetime employment, internal human network, long range evaluation performance and others.

Therefore it can be said the Japanese growth is based on HRM policies that are integrated, flexible, skill-based, treat employees as investments, with value added orientation and behavioural or environmental aspects. Critics see it as striving on American Capital as a bulwark against communism (Beardwell et al., 2004). Benson (1996) asserts that lean Japanese organisations and peripheral workers are means to minimise the cost of lifelong employment.

However senior management must be real choice makers to make employee relations more effective.

5.0 Conclusion

This section gets back to the thrust of assessing the development of HRM. It recognises its widespread use, its strategic importance and contingency. It also highlights the need for holistic thinking and right based approaches for effective HRM.

5.1 HRM a widespread contemporary, evolving & Contingent tool

HRM is increasingly being used to enhance employment relations (Beardwell et al, 2004). Approaches differ in contexts hence the reason for “Hard” and “Soft” approaches leading to strategic HRM (Analoui, 1999, 2002) and bundles of HRM (Purcell, 1999) and to debates between features of IR, HR and HRM (Storey, 1992) and to contingent models.

In this essay, Michigan model (Fombrun et al, 1984) was used as Hard HRM while the Harvard model (Beer et al, 1984) based on commitment, congruence,

Competence and cost effectiveness was used for Soft HRM. Guest (1997) was used as comparative of PM and HRM. Choice model (Analoui, 2002), offered an integrated effective approach towards performant management. With this it could be concluded that HRM was effective dependent on HRM cycle which is inputs, processes and outputs.

Therefore senior management were choice makers to either lead to better performance or failure. Their effectiveness also lay on their work practices (Huslid, 1995). With diversity in terminology of HRM and with continuous changes in employee needs, it is clear that HRM is an advanced but still evolving managerial discipline (Whittington, 2001).

5.2 The “softness” of HRM, bundles and performance

There is tendency to link values such as trust commitment and communication to soft HRM (Legge, 1995). While this distinguishes the approach from hard HRM, it also used by some practitioners as best practices (Purcell, 1999). How these practices are integrated to organizational goal determines organizational performance (Huslid, 1995). It however leads to a situation where all best practices are treated the same or an assumption that they can be used in all organisations. The safest road out is the choice model (Analoui, 2002) that is holistic, flexible and considers the self, organisation and environment in formulating HRM. This model helps to establish a ground work for action when HRM and business focus conflict (Beardwell et al, 2004) and when considering HRM as an international function and a new managerial discipline (Fombrun et al, 1984).

5.3 Holistic thinking, right and egalitarian HRM

As environments, organisations and people vary tremendously it is safer to think in holistic terms when designing HRM frameworks and policies so as to achieve vertical and horizontal integration, cohesion, and organisational learning which make elements of an effective organisation (Becker et al, 2001). This is only possible, if policy makers are choice makers (Analoui, 2002) designing HRM using emerging ideas like total contribution to the firm, innovative and creative behaviour, high concern for customer value, cross functional integration, using labour as critical investment and managing diversity (Bagshaw, 2004). HRM is a strategic science not a restatement and models give a deep understanding of employment relations but not all solutions to its problems.

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