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## **Strategic Human Resource Management: The Value of Different Paradigms**

### **Abstract**

- This paper argues that discussion of the strategic management of human resources has been limited by a confusion over the analysis of SHRM and an inadequate conception of the field for SHRM. By separating out the universalistic and contextualist paradigms, the paper clarifies the differences in approach and how these affect views of the nature, levels and actors in the subject area. Siting itself in the contextualist paradigm, the paper draws attention to the value of that approach in understanding current developments in SHRM in Europe.<sup>1</sup>

### **Key Results**

- The universalist paradigm of strategic human resource management (SHRM) is widespread, particularly in the United States, but also amongst those academics in other countries who have come under the US influence. It essentially centres around arguing that research involves using evidence to test generalisations of an abstract and generalist nature; that the purpose of SHRM is to improve the way that HR is managed within companies; and that general rules can be applied generally. The contextual paradigm argues that research is about drawing understanding from complex data; that explanation of difference is more important than firm performance and that there are different views and perspectives on HRM depending on the nature of what is being studied; the levels at which it is studied and the actors included. The contextual paradigm provides a more powerful explanation of HRM in Europe (and perhaps elsewhere) where the role of the state and European Union bodies, of the public sector, of significant unionisation and employee participation are extensive.

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## Introduction

There are two features of discussions of strategy and human resource management which frequently irritate readers: one is the tendency to spend a substantial part of the article in defining the terms human resource management (HRM) and strategic human resource management (SHRM); and the other is the assumption that there is no need to define terms. This paper argues that, particularly in an international context, it is possible to explain the different definitions and approaches there are to the subject of SHRM and to learn from them. To do so the paper takes the first source of irritation and pushes it to the extreme of devoting the whole piece to defining the terms....

The paper argues that there are different paradigms underlying the analysis of SHRM and that these explain some of the differences in interpretation of the terms involved. Exploring two of the main paradigms used in the debate in Europe allows us to identify the importance of clarifying the nature, the levels and the focus of the subject. This enables us to move beyond the debate about definitions to identify key issues for researchers and practitioners.

## Paradigms

Things are done differently in different countries. In the area under consideration in this text this includes both differences in the way human resource management (HRM) and strategic human resource management (SHRM) is conducted and the research traditions through which it is explored. These differences result in two different (ideal type) paradigms for research into HRM. These can be termed the universalist and the contextual paradigms. The term paradigm is used here in Kuhn's (1970) sense as an accepted model or theory, but with the clear implication that different researchers may be using competing models or theories. It is to some degree the difference between these paradigms which has led to the confusion noted by many (Conrad/Pieper 1990, Guest 1992, Singh 1992, Storey 1992, Boxall 1993, Dyer/Kochan 1994, Goss 1994, Martell/Caroll 1995) in the appropriate subject matter of HRM.

The attempt to distinguish different paradigms is not unique to this paper: it mirrors those developed in Delery and Doti (1996) – and perhaps unfortunately shares a similar sounding, though differently defined, terminology – and in Wright and McMahan (1992). It is distinguished from them by contrasting a firm-internal with a firm-external perspective and by the linkage with methodology (see below). The aim here is not to categorise the different research perspectives used in studying SHRM, but to identify the different paradigms which underlie these perspectives.

The universalist paradigm, which is dominant in the United States of America, but is widely used in many other countries, is essentially a nomothetic social science approach: using evidence to test generalisations of an abstract and law-like character. As in other related areas of the social sciences the universalist paradigm tends towards acceptance of convergence. In the organisational studies area, for instance, the Aston School argued strongly that context made little difference and only organisational characteristics mattered (Hickson et al. 1974, Pugh/Hickson 1976, Hickson et al. 1979, Hickson/Macmillan 1981). Closer to our own area of interest, Locke and Kochan (1995, pp. 380–381), who will be claimed for the contextual paradigm later in this paper, ask whether national systems still exist or whether sector or company systems are taking over as industrial relations, for example, is increasingly decentralised.

This paradigm assumes that the purpose of the study of our area of the social sciences, HRM, and in particular SHRM (Tichy/Fombrun/Devanna 1982, Fombrun/Tichy/Devanna 1984, Ulrich 1987, Wright/Snell 1991, Wright/McMahan 1992), is to improve the way that human resources are managed strategically within organisations, with the ultimate aim of improving organisational performance, as judged by its impact on the organisation's declared corporate strategy (Tichy/Fombrun/Devanna 1992, Huselid 1995), the customer (Ulrich 1989) or shareholders (Huselid 1995, Becker/Gerhart 1996, Becker et al. 1997). Further, it is implicit that this objective will apply in all cases. Thus, the widely cited definition by Wright and McMahan states that SHRM is "the pattern of planned human resource deployments and activities intended to enable a firm to achieve its goals" (1992, p. 298). The value of this paradigm lies in the simplicity of focus, the coalescing of research around this shared objective and the clear relationship with the demands of industry. The disadvantages lie in the ignoring of other potential focuses, the resultant narrowness of the research objectives, and the ignoring of other levels and other stakeholders in the outcomes of SHRM (Guest 1990, Poole 1990, Pieper 1990, Bournois 1991, Legge 1995, Brewster 1995, Kochan 1998).

Methodologically, the mechanism generally used to research this form of SHRM is deductive: to generate carefully designed questions which can lead to proof or disproof, the elements of which can be measured in such a way that the question itself can be subjected to the mechanism of testing and prediction. Built in to this paradigm is the assumption that research is not "rigorous" unless it is drawn from existing literature and theory, focused around a tightly designed question and contains a structure of testing that can lead on to prediction. The research base is mostly centred on a small number of private sector "leading edge" exemplars of "good practice," often large multinationals and often from the manufacturing or even specifically the high tech sector.

The strength of the approach is that good research based upon it tends to have a clear potential for theoretical development, it can lead to carefully drawn research questions, the research tends to be easily replicable and research metho-

dologies sophisticated, and there is a coherence of criteria for judging the research. Of course, in any particular case, inappropriate techniques or dubious lines of causality can negate much of the value of this form of research (see Gerhart 1998). Even where the data and analysis are sound, however, a disadvantage of this paradigm, perhaps of the US research tradition in particular, is that the pressure to publish and the restricted nature of what is acceptable has led to much careful statistical analysis of small-scale, often narrow, questions whose relevance to wider theoretical and practical debates is sometimes hard to see. This has been summed up, by an American commentator, in the notion of the “drunkard’s search” – looking for the missing key where visibility is good, rather than where the key was lost.

The contextual paradigm<sup>2</sup> by contrast is idiographic, searching for an overall understanding of what is contextually unique and why. In our topic area, it is focused on understanding what is different between and within SHRM in various contexts and what the antecedents of those differences are. Amongst most researchers working in this paradigm, it is the explanations that matter – any link to firm performance is secondary. It is assumed that societies, governments or regions can have SHRM as well as firms. At the level of the organisation (not firm – public sector organisations are also included) the organisation’s objectives (and therefore its strategy) are not necessarily assumed to be “good” either for the organisation or for society. There are plenty of examples where this is clearly not the case. Nor, in this paradigm, is there any assumption that the interests of everyone in the organisation will be the same; or any expectation that an organisation will have a strategy that people within the organisation will “buy in to.” It is argued here that not only will the employees and the unions have a different perspective to the management team (Kochan et al. 1986, Barbash 1987, Keenoy 1990, Storey 1992, Purcell/Ahlstrand 1994, Turner/Morley 1995), but that even within the management team there may be different interests and views (Hyman 1987, Kochan et al. 1986, Koch/McGrath 1996). These, and the resultant impact on SHRM, are issues for empirical study. As a contributor to explanation, this paradigm emphasises external factors as well as the actions of the management within an organisation. Thus it explores the importance of such factors as culture, ownership structures, labour markets, the role of the state and trade union organisation as aspects of the subject rather than external influences upon it. The scope of HRM goes beyond the organisation: to reflect the reality of the role of many HR departments, particularly in Europe: for example, in lobbying about and adjusting to Government actions, in dealing with equal opportunities legislation or with trade unions and tripartite institutions etc.

This paradigm is widespread in the UK and Ireland, Australia and New Zealand and in many of the northern European countries, but has some adherents in North America. Furthermore, if one were to judge by the journals and newsletters put out by the HR societies and consultancies, the interests of many HR practitioners in the States are in many of the same legislative and labour market areas as those in Europe. This seems to apply particularly to the US public sector where,

perhaps, the pressures of compliance are greatest. Interestingly, there are increasing calls from North Americans for a contextual paradigm or, to be precise, approaches which have considerable resonance with this paradigm, to be used in the USA (see, for example, Dyer 1985, Schuler/Jackson 1987, Dyer/Kochan 1995 and, powerfully, in the companion to this volume, Kochan 1998).

Methodologically, the research mechanisms used are inductive. Here, theory is drawn from an accumulation of data collected or gathered in a less directed (or constrained) manner than would be the case under the universalist paradigm. Research traditions are different: focused less upon testing and prediction and more upon the collection of evidence. There is an assumption that if things are important they should be studied, even if testable prediction is not possible or the resultant data are complex and unclear. The policies and practices of the “leading edge” companies (something of a value-laden term in itself) which are the focus of much HRM research and literature in the universalist literature are of less interest to contextualists than identifying the way labour markets work and what the more typical organisations are doing. Much more work in, for example, Europe is, therefore, based on finding out and understanding what is happening. There is a stronger tradition of detailed idiographic studies and of large-scale survey work, both of which lend themselves to analyses of the different stakeholders and the environmental complexity of organisations. Similarly, research in Europe is more often focused on the services sector or the public sector of employment than is the case for HRM research work in the USA which seems to evidence an interest in the manufacturing sector which is not only wholly disproportionate to its share of employment, but is often discussed as if it is the whole of the economy – or at least the only sector of interest to specialists in SHRM.

In Europe much of the research is located squarely in the contextual paradigm, concerned to develop a critique of the relationship between owners and/or managers and the employees and the society in which the organisations operate; and there is less likelihood of the researchers assuming that the purposes of the powerholders in the organisation are unchallengeable and that the role of research is to identify how their HRM contributes to those purposes.

The universalist and contextualist approaches are true paradigms in Kuhn’s sense that they are in general unchallenged and are often held to be unchallengeable. Those researching in these paradigms are themselves often unaware of any alternatives. Like the fish’s knowledge of water, these researchers not only see no alternatives but do not consider the possibility that there could be any. Thus, as a small example, many of the papers published in the European journals make almost no reference to US texts – and vice versa. Some of those who become aware of the alternative paradigm respond, as the students of paradigms would expect, by denying the value of the alternative: universalists arguing that “if it doesn’t lead us to be able to say something that will help firms to become more effective, what use is it?” and “if you can’t measure it, you can’t research it;” contextual-

ists arguing against “managerialist sub-consultancy” and “the narrow, overly statistical, chase for tenure.”

This is particularly unfortunate: just as the debate between the two paradigms can be depressingly sterile, or can lead to research which combines the worst of both, so the alternative can be stimulating and challenging. Insights from one paradigm can be powerful in the other; research in one paradigm can lead to lines of development in the other. In discussion of the closely related nomothetic and ideographic concepts of research Galtung (1990, p. 108) argues that “although dramatically different, these should not be seen as antithetical, irreconcilable or mutually exclusive.” Thus, not only do we get different insights and findings from each paradigm which overall strengthens our understanding of HRM and SHRM, but the possibility that the challenge provided by these alternative paradigms can improve research in both is exciting. So the universalist tradition can include more important questions, take greater note of the environmental constraints and be more challenging in its approach to the multiple stakeholders within the organisation and beyond. And the contextual paradigm has much to learn from the tighter definition of research questions, more careful measurement and the more extensive use of statistics.

On the methodological front, the debate between these two leading paradigms in the field informs the rationale for research but says little about methodological tools. From either perspective the key question in research is what the research is trying to explain: different kinds of methodologies will be appropriate for different issues and there is much to be gained by drawing insights from different techniques (Jick 1979).

This is not to argue for a melding of the two paradigms. Such a development is not only impossible, but also undesirable. There are different strengths in each paradigm and we can learn most by drawing in the best of both traditions.<sup>3</sup>

## Of Nature, Level and Actors

Contrasting these two different paradigms affecting the study of HRM and SHRM highlights three issues: the contested nature of the concept (what we are studying); the levels at which it can be applied (the range of our studies); and the actors concerned (who is involved).

## The Nature of HRM

Arguably, there is less room for debate in the universalist paradigm about the nature of what is being studied: there is greater coherence amongst the US univer-

salist, for example, about what constitutes “good” HRM: a coalescing of views around the concept of “high performance work systems.” These have been characterised by the US Department of Labor (1993) as having certain clear characteristics: careful and extensive systems for recruitment, selection and training; formal systems for sharing information with the individuals who work in the organisation; clear job design; local level participation procedures; monitoring of attitudes; performance appraisals; properly functioning grievance procedures; and promotion and compensation schemes that provide for the recognition and financial rewarding of high performing members of the workforce. It would appear that, whilst there have been many other attempts to develop such lists, and they all differ to some degree, the Department of Labor list can be taken as an exemplar of the universalist paradigm: few researchers (or commentators or consultants) in the universalist tradition of HRM would find very much to argue with in this list.

The list is drawn from previous attempts to identify good practice in HRM. Mahoney and Deckop (1986) identify six elements that constitute HRM. In Europe, Beaumont (1991) finds five; and Storey (1992) identifies fifteen different practices. Many of the items in these lists are similar or are subsets of each other. Guest (1987) was one of the first to summarise his conception of what makes HRM distinctive (integrated into the general co-ordinating activity of line management; bottom line emphasis; management of corporate culture) and these lists still contain much in common with this outline. Later he expands this list to be more explicit (“innovative techniques of the sort typically associated with HRM” including such practices as flexible working, quality circles, training in participative skills and job enrichment: Guest 1990, p. 385) – the soft version of HRM.

In many countries, however, where the contextual paradigm is more widespread, almost every item on these lists would be the source of debate amongst both practitioners and theorists. Thus, in much of southern Europe recruitment and selection schemes rely heavily on the network of family and friends (the *cunha* in Portugal for example). HRM experts in these countries would argue that this is a cheap and effective method of recruitment, and gives the organisation an extra means of motivating and controlling employees (“this behaviour will cause a lot of embarrassment to X and Y – perhaps members of your family – who persuaded us to employ you”). Formal systems for sharing information with individuals at their workplaces are significantly different from sharing information at the strategic level with trade union representatives skilled in debating the organisational strategy – a common requirement in Europe. Clear job design (which can presumably be linked with the performance appraisal and incentive schemes for the individual job holder) can be inimical to the need for flexibility, team work and responsiveness to the pace of change seen as important by most European organisations. And so on through the list....

The universalist paradigm also assumes that HRM is concerned with the aims and actions of management within the organisation. In countries like the USA, which has as an avowed aim of most politicians the objective of “freeing business from outside interference,” or amongst commentators who share that approach, it makes sense to develop a vision of human resource management which takes as its scope the policies and practices of management. (Though here too it is worth pointing out, so that the argument is not misunderstood, that there are American commentators who do not accept this limitation on their analysis).

There is indeed a school of authors in the universalist tradition who start from the premise that what distinguishes HRM from other approaches to employment is mainly that it is a set of policies and practices which are intended to be integrated with organisational strategies and objectives (Fombrun et al. 1984, Eaton 1990, Schuler/Jackson 1987, Guest 1987, Lengnick-Hall/Lengnick-Hall 1988, Hendry/Pettigrew 1990, Schuler 1992, Wright/McMahon 1992, Storey 1995). These authors see HRM as a particular set of practices which may or may not be appropriate depending upon the situation and the corporate strategy of each different organisation. This approach tends to follow one main strand of seminal US writing, the “Michigan” school, initiated by Fombrun et al. (1984). For this school, business strategy, organisational structure and HRM are the three crucial, interactive, elements of strategic management. Other authors have referred to the need for HR strategy to be “an integral part of business strategy, with labour utilisation approaches reflecting production and marketing priorities” (Ramsey 1992, p. 233).

Boxall (1992) has used the instructive term “matching” to encompass such an approach to HRM. Hendry and Pettigrew (1986) have summarised the approach clearly. They focus on HRM as strategic integration, defined by:

- “1. the use of planning;
2. a coherent approach to the design and management of personnel systems based on an employment policy and manpower strategy, and often underpinned by a ‘philosophy’;
3. matching HRM activities and policies to some explicit business strategy; and
4. seeing the people of the organisation as a ‘strategic resource’ for achieving ‘competitive advantage’” (Hendry/Pettigrew 1986).

Later they say explicitly, “We see HRM as a perspective on employment systems, characterised by their closer alignment with business strategy” (Hendry/Pettigrew 1990, p. 36).

In the hands of a different strand of the strategic HRM literature (Fombrun/Tichy/Devanna 1984, Ackermann 1986, Staffelbach 1986, Besseyre des Horts 1987, 1988, Miller 1989), this approach can lead to what might be characterised as “contingent determinism”. The elements of the corporate strategy that dominate the HR strategy vary. Thus Purcell (1987) argues that certain organisational forms will find it virtually impossible to adopt strategic HRM, whilst Marginson et al.



(1988) believe that foreign companies are more likely to adopt it. Other authors have linked HR strategies to different factors: Schuler has indicated that they should be based on the type of market, as defined by Porter (Schuler/Jackson 1987), or on a particular position in a company's life-cycle (Schuler 1989). The market approach has also been propounded by others (Baird/Meshoulam/Degive 1983, Dertouzos/Lester/Solow 1989), whilst others have supported the life-cycle approach (Fombrun/Tichy 1983, Kochan/Barocci 1985). Cohen and Pfeiffer (1986) argue that sector and type of organisation are the determining factors, with public sector and large, high visibility organisations more likely to adopt strategic HR practices.

What have been separated out here as distinct definitions can be, and often are, overlapping. Many of the texts assume that a focus on employee commitment or careful communication or employee development must, inevitably, be strategic. One of the problems in the literature is that individual texts either do not specify which of these broad definitional levels they are addressing, or assume mutual inter-linking, or drift between them.

Theoretically it is quite possible that a closely integrated, strategic approach to HRM will involve nearly all the specific HRM objectives and practices and hence drive all aspects of the way labour is managed. Equally however, it is possible that the close integration of HRM with corporate strategy could, in some sectors for example, lead to a heavy emphasis on cost-reduction, eliminating all "people frills" such as training, communication with employees or employee benefits and making extensive use of outsourcing.

In Europe, however, many researchers find that the universalist paradigm, ironically, because it excludes a contextual element, inevitably excludes much of the work of HR specialists and many of the issues which are vital for the organisation. They are uncomfortable studying a subject in a way which excludes such areas as compliance, equal opportunities, trade union relationships and dealing with local government for example. Hence the development of a more critical, contextual paradigm based on increasing criticism of the universalist model of SHRM common in the USA. Looking at the UK, Guest sees "signs" that what he calls "the American model is losing its appeal as attention focuses to a greater extent on developments in Europe" (Guest 1990, p. 377); the same author is elsewhere sceptical of the feasibility of transferring the model to Britain. The inapplicability of the universalist approach in Europe has also been noted in Germany: "an international comparison of HR practices clearly indicates that the basic functions of HR management are given different weights in different countries and that they are carried out differently" (Gaugler 1988, p. 26). Another German surveying European personnel management, similarly concluded that "a single universal HRM concept does not exist" (Pieper 1990, p. 11). Critiques of any simplistic attempts to "generalise" the concept, so that our view of HRM is essentially the (original US) universalist model have also come from France (see, e.g. Bournois 1991a, 1991b). European authors have argued that "we are in culturally

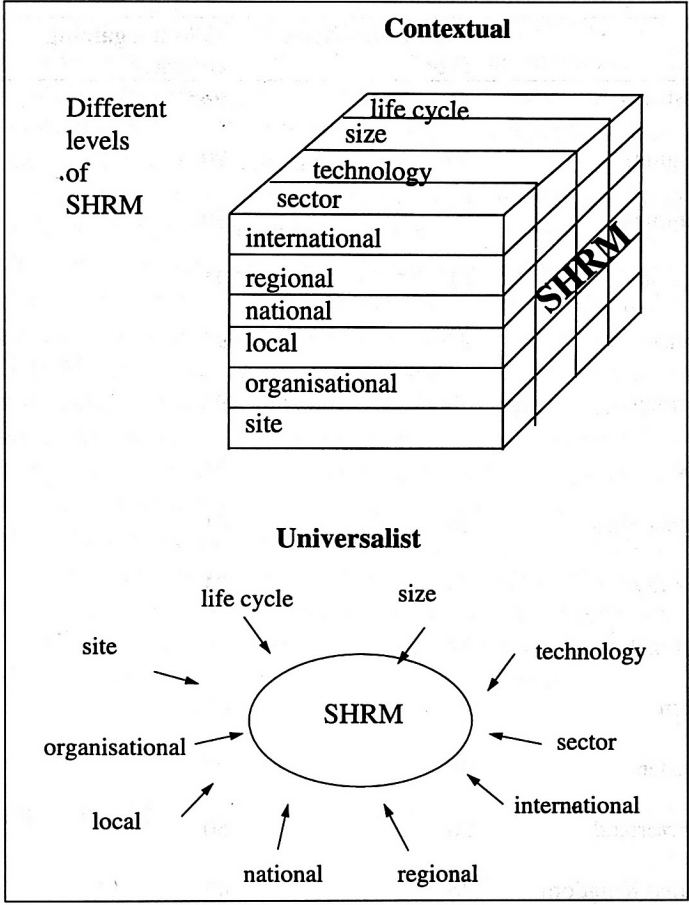
different contexts” and, that “rather than copy solutions which result from other cultural traditions, we should consider the state of mind that presided in the search for responses adapted to the culture” (Albert 1989, p. 75 translation in Brewster and Bournois 1991).

The nature of SHRM assumed in the universalist paradigm provides for a more detailed examination and explanation of the policies and practices of the management of the organisation in their approach to their labour force. In the contextual paradigm the nature of HRM and SHRM is seen more broadly, providing better explanation of the potential differences in views about the topic and a better fit with the concerns of the specialists, by including national institutional and cultural issues such as the trade union movement, national legislation and labour markets as not just external influences but as part of the topic (Brewster/Bournois 1991, Brewster 1995). This involves, necessarily, a view of SHRM which includes these factors as part of the subject matter. As a by-product, the universalist paradigm paradoxically is better able to deal with the increasingly ephemeral and porous nature of the organisation as the growth in the extent and spread of flexible working practices is more widely recognised (Brewster/Mayne/Tregaskis 1997, Brewster/Mayne/Tregaskis 1996, Brewster et al. 1996, European Commission 1995, Standing 1997).

## The Levels of HRM

A second key question concerns the levels of HRM. The universalist paradigm works with the organisational, or in some cases the suborganisational (e.g. business unit) level of analysis. The contextualists assume that SHRM can apply at a variety of levels: i.e. that the scope is not restricted to the organisational level. Thus, in Europe there are discussions of the strategic human resource management policies of the European Union or of particular countries or sectors. There are increasing debates about SHRM policies between groups of member states (Mayrhofer et al. 1997). National governments have SHRM policies (for example, reducing unemployment, encouraging flexible working practices) and indeed, the strategy literature is increasingly locating the economic success of organisations, as well as that of the economies as a whole, at the national level (see, as recent examples, Aoki 1988, Porter 1990, Sorge 1991, Lundvall 1992, Nelson 1992, Kogut 1993) and arguing for a careful understanding of national contexts. Within the country local areas can have SHRM policies and practices (raising training standards to attract inward investment, establishing local employment opportunities etc). All these levels, which might be seen as exogenous factors impinging upon SHRM in the universalist paradigm, are seen in the contextual paradigm as within the scope of SHRM (Figure 1).

Figure 1.



It can become complicated to discuss more than one level of analysis at a time and even more difficult to research more than one. It is often the case that in both research paradigms, but particularly in the universalist paradigm, researchers and commentators resolve this problem by simply ignoring it. Thus many of the seminal texts in our field draw their data from one level but are written as if the analysis applies at all levels: what Rose (1991) has called “false universalism”. Many of these texts are produced in one country and base their work on a small number of by now well-known cases. As long as they are read by specialists in the relevant country with interests in these kinds of organisations, this may not be too much of a problem. But the world, and especially the academic world in our subject, is becoming ever more international. This is a major problem in relation to the US literature. The cultural hegemony of US teaching, publishing and the US journals mean that these texts are often utilised by other readers. For analysts and

**Table 1.** Union density and coverage

	<b>1994 Union density rate</b>	<b>1994 Bargaining coverage</b>
Austria	43	98
Belgium	53	90
Denmark	76	90
Finland	81	95
France	9	95
Germany	30	92
Italy	39	82
Netherlands	26	81
Norway	58	74
Portugal	32	50
Spain	22	66
Sweden	91	93
Switzerland	26	50
United Kingdom	36	47
Japan	24	22
United States	16	18

**Source: OECD 1996**

practitioners elsewhere, and with interests in different sectors, countries and so on, many of these descriptions and prescriptions fail to meet their reality. Our task, therefore, is not necessarily to change what we write or believe, but to specify the level at which we can show it to be true.

An example is provided by those who write about the link between HRM and performance. They tend to make statements about those links that make three assumptions: That: the practices they have chosen to measure (usually of the kind

included in the Department of Labor list of high commitment practices) can be referred to as positive HRM and any alternative approaches to these practices will be, by implication, negative; the measures of firm performance will be universally applicable, ignoring the different ownership patterns, stock market pressures, accounting systems etc.; and the findings about the particular measures of HRM can be applied to all circumstances and cases.

Gerhart (1998) points out that there are technical problems with many of these analyses, and beyond that, these wider assumptions are inadequate: but the point tends to be lost in the reports on this research which often fail to acknowledge even that their results are limited to the one country from which the evidence is drawn. The argument of this paper is that as the international and comparative element of SHRM comes increasingly to the fore, researchers and analysts have to be ever more careful to position their work at the appropriate level of analysis if they are not to be guilty of commentaries which are confused, inapplicable or just plain wrong. The relevant level of analysis will depend upon the question being asked. The important point is not that any level is necessarily correct or more instructive than the others, but that the level needs to be specified to make the analysis meaningful. This would also argue, *inter alia*, for comparative and international research programs to be carried out by networks of researchers based in, and with a deep understanding of HRM in, each country, rather than in the commonly found "vacation reports" on HRM in other countries.<sup>4</sup>

## The Actors in HRM

Similarly, if in the contextual paradigm the nature of the topic is contested and widened beyond the organisation, and the levels of analysis need to be carefully specified, the question of the focus of SHRM is also raised. Is it a subject concerned with how human resources within organisations are managed? or is it a subject concerned with the interaction between people at various levels? To put it bluntly, are we analysing the cost-effective management of people to ensure that the top management's organisational objectives are met; or are we critically analysing the way human resources are managed, affected by and affect the management of organisations? A strong stream of neo-Marxist theorising (Braverman 1974, Burawoy 1979, Hyman 1987, Friedman 1997) has focused on managerial approaches to controlling potential dissidence. Whilst the influence of this stream of writing appears to have waned, the contextual paradigm within which it fits, and the willingness to challenge managerial objectives and actions, remains relevant.

The contextual paradigm contrasts with the universalistic paradigm in its insistence on going beyond the immediately declared corporate strategy and ap-

proach to HRM laid down by senior management to asking whether these have deleterious consequences for individuals within the organisation, for the long-term health of the organisation and for the community and country within which the organisation operates.

Some of this literature (in both paradigms) is flawed by rather simplistic notions of strategy. The formal “predict and prepare” or “command” models have been discounted by the serious strategy theorists but are still used in some SHRM discussions. Alternative approaches to strategic management have been characterised as either algorithmic or experiential in emphasis (Gomez-Mejia 1992). Quinn (1980) established the notion of strategy as “logical incrementalism;” with real strategies evolving “as internal decisions and external events flow together to create a new, widely shared consensus for action among key members of the top management team. In well-run organisations, managers proactively guide these streams of action and events incrementally towards conscious strategies” (Quinn 1980, p15). In the last few years the notion of incrementalism itself has been examined and seen as incorporating different interpretations (Mintzberg 1990) and as having a number of different functions (Joyce 1986).

“Strategy” as a concept has been used, whether recognised or not, in at least five separate ways (Mintzberg 1987) – as: plan; ploy; pattern; position; and perspective. These definitions can be inter-related and in the real world strategic management “inevitably involves some thinking ahead of time as well as some adaptation en route”: effective strategies will encompass both (Mintzberg 1994, p 24). More recently still, it has been argued that control systems are the key means of managing and changing patterns in organisational activities (Simon 1995).

Collins and Porras (1994) found that amongst their 18 high performing “visionary” US companies there was no evidence of brilliant and complex strategic planning. Rather, their companies “make some of their best moves by experimentation, trial and error, opportunism and – quite literally – accident. What looks in retrospect like brilliant foresight and preplanning was often the result of ‘Let’s just try a lot of stuff and keep what works’ ” (p. 9). Behn (1988) had already found similar results in the public sector. None of this would have come as a surprise to Lindblom (1959) whose prescient article pointed out much the same thing many years ago, but which fell into disuse over the years of dominance of the “command” model. Lengnick-Hall and Lengnick-Hall (1988) also challenged the assumption that strategic decisions were taken at a particular point in time such that the influence of HRM on that process could be measured.

If the literature generally tends to assume that HRM is brought into the strategy through some link to a formal “predict and prepare” mode of strategy formulation, it makes two further assumptions: first that this is solely a management issue; and second that, despite the debate about the role of line managers, HR issues are brought in to the strategic discussion by the HR specialists.

On the first issue, it has been pointed out that the rhetoric of the integration of the HR specialist function at the Board level has outpaced the reality (Legge 1995). It has been argued, in contrast, that HRM participation can take many forms, from full membership of the Board to the design of implementation plans for the delivery of strategic goals (Caroll 1987). Evidence from a substantial number of European countries has been used to assess the range of these forms (Brewster/Soderstrom 1994, Brewster 1995, Brewster/Larsen/Mayrhofer 1997). The conclusion has been that previous discussions, mainly in the US but including significant examples from Europe too, miss important issues at the European level and at the European country level. Here, in a number of countries - most clearly, but not exclusively, Germany and the Netherlands - HRM issues are brought into the strategic level discussions by the presence of between one third and one half of the Board being representatives of the employees. In many organisations in these countries the HRM function is largely confined to an administrative role. In other cases, the presence of legally required Works Council on which employee representatives have significant power, or pervasive unionism, mean that in practice the interests of the employees feature in all major operational decisions.

The debate about the growing role of line managers in strategic (and indeed in operational) HRM is widespread in Europe. Is human resource management, as some would argue, now so well understood to be central to the well-being of an organisation and its ability to perform effectively that the subject has to permeate the responsibilities of every manager? Or is it the case that without a knowledgeable, experienced and influential human resource management department the organisation will be unable to give the subject the prominence that is needed? Perhaps more realistically, between these two extremes, what is the role of the HR function and how should its responsibilities be shared with line managers? In Europe the trend is clear: to give line managers more responsibility for the management of their staff and to reduce the extent to which human resources departments control or restrict line management autonomy in this area (Brewster/Hooendoorn 1992, Brewster/Soderstrom 1994, Brewster/Larsen/Mayrhofer 1997). This has created problems, with both personnel specialists and line managers unhappy about the way things are moving (Brewster/Hutchinson 1994). The trend towards increased line management authority in this area, however, remains undeniable.

## Conclusion

It has not been the purpose of this paper to argue that either paradigm is a wrong or inadequate way to study SHRM; rather the purpose has been to argue that the

understanding we have of HRM and SHRM can be enhanced if we utilise the best of both.

One value of the contextualist paradigm can be seen in the “test-bed” situation of the ex Communist states of Central and Eastern Europe (CEE). Our research into these countries (Brewster 1992, Koubek/Brewster 1995, Hegewisch/Brewster/Koubek 1996, Hegewisch 1997a, 1997b) indicates that whilst all of them have moved significantly away from the old models, the rate of change in the different countries has been very different. The greater explanatory power of the contextual paradigm in such cases at least is manifest; the poverty of attempts to explain developments there by contrasting them with the universalist conception of SHRM is clear.

There is much to play for if we are to develop our understanding of HRM and SHRM. The two paradigms should steer, direct and limit our research: we have to be more ambitious in our inter-organisational, cross-sectoral and cross-national research – and more careful about our findings and our analysis.

## Notes

- 1 The paper draws on recent and current research by the author and colleagues. More details are available in:
  - Brewster, C., Different paradigms in Strategic HRM: questions raised by comparative research in *Research in Personnel and HRM*, CN: JAI Press, Greenwich (1998 forthcoming).
  - Larsen, H. H./Brewster, C./Mayrhofer, W., Integration and Assignment: A Paradox in Human Resource Management, *Journal of International Management*, 1997, 3, 1, pp. 1–23.
  - Brewster, C./Mayne, L./Tregaskis, O. (1997), Flexible working in Europe: a Review of the Evidence, *Management International Review*, Special Issue 1997/1, pp. 85–103.
- 2 I have previously referred to the contextual paradigm as “European HRM” (Brewster/Bournois 1991, Brewster 1994, 1995a) but this has led some commentators to assume that the discussion is merely about the difference in practice between Europe and the USA. The key difference lies in the way the concept is understood and researched – and this is not a question of nationality. There are also some, whom I assume have not read far beyond the title, who have understood the term European HRM as an argument that HRM is similar across Europe – for an explanation of the geographical levels of analysis see Brewster (1995b). The use of the term “the contextual paradigm” is also, I fear, open to easy assumptions, but perhaps there are no titles which are risk-free.
- 3 I do not mean to imply in this that there are not other equally powerful paradigms. Many of these will, like the two ideal types explored in more detail in this paper, have originated in particular geographical areas; though like them they will have adherents now in many countries. Thus, within this authors knowledge, there is a strong Latin paradigm which, building on the French sociological and Marxist traditions and the focus on Roman law, is concerned with the establishment of large-scale concepts, societal level and political interactions and the nature and detail of the law. A lack of knowledge of languages (and many other inadequacies) mean that this author is unaware of other research traditions and paradigms in SHRM research, but I would guess there are likely to be others in Japan, the Pacific Rim and the CEE countries for example.



- 4 Cranet-E consists of HRM experts from a leading business school or university department in each of 22 European countries (for historical reasons there are two institutions in Germany, one in the east and one in the west of the country). The network is co-ordinated by the Centre for European Human Resource Management at Cranfield School of Management in the UK. Further details can be found at <http://www.tu-dresden.de/wbwl/pew/cranfield/index.htm> or in a brochure available from the author. These colleagues work together on a three yearly cycle to collect comparable data from the senior HR person in a representative cross section of organisations in each country and to work together to understand the differences they have identified. So far there have been four rounds of the survey with more countries involved in each round: over 20,000 responses have been collected including over 6,000 in the latest round. In addition, smaller groups within the network carry out other comparative research programmes, funded by Research Councils, the European Commission, the British Council and related bodies, major consultancy organisations and groups of employers. In the last few years these projects have examined a range of different topics: national differences in management styles; flexible working practices (three projects: one analysing the statistical data from 14 countries; one in depth ideographic study in 3 countries; one study of short-term employment); the role of the line manager in human resource management; communication and consultation in European organisations; training, development and learning in Europe; the effects of the changing organisation of the European postal sector on employment.

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