Any view of HRM – whether it treats the field as generically about all ways of managing employees or adopts a particular view of HRM as a distinct approach to management – must have a view of the relationship between manager and employee. This chapter argues, first, that HRM necessarily tends towards a rather narrow view and, second, that this narrowness constrains its ability to address the field adequately. Third, an ‘industrial relations’ (IR) view can correct these limitations. Fourth, however, both IR and HRM tend to focus on the internal dynamics of the employment relationship, and both need to address more fully the external forces that impinge on it. ‘IR’ will be used to characterize an analytical perspective, with the employment relationship being the object of empirical inquiry.¹

The chapter proceeds as follows. First, an approach to the employment relationship within mainstream HRM is identified and criticized. This critique identifies the concept of the psychological contract as the most developed, but flawed, effort to see the relationship as an exchange between two parties. The IR perspective is then presented. In the third section, some ways in which this perspective corrects the HRM view are outlined. This is followed by a relatively ‘optimistic’ view of further developments around the context of the employment relationship and a more ‘pessimistic’ conclusion on the likelihood that HRM will accept the solution proffered.

The employment relationship in mainstream HRM

To sustain the first argument in detail would require extensive commentary, and I merely cite statements that assert it. I also focus on debate among UK scholars, for it is here that discussion of the meaning of HRM has been most extensive. There would appear to have been little discussion in the US HRM circles about the fundamental nature of the employment relationship. Thus when Kaufman (2004) offered an ‘integrative theory’ of HRM he did so in terms of largely taken-for-granted assumptions about what it is that HRM is managing – even though, in his other work, Kaufman (2007) lays out an IR view on this question.

Bach (2005: 4) comments that HRM focuses on management practice and ‘tends to ignore employee interests’; HRM also limits itself to the individual firm. Sisson and Storey (2000: 7–10)
identify a predominant pattern of rather uncritical, descriptive and prescriptive approaches in HRM and they embrace a view that sees the employment relationship as a social product. They say rather little, however, about its fundamental features and stress instead the context in which it is embedded. Bacon (2003: 84) summarizes the weaknesses of HRM:

The emphasis upon the individual overlooks the collective aspects of employment and it is unnecessarily unitarist [that is, seeing the organization as having a single set of goals shared by all]; management choices are restrained by institutions and context; high commitment management is rare; and it lacks a theory of power and cannot explain who gets what.

The key mainstream response to these issues is to draw on analysis of the psychological contract. At least two books use this concept to address explicitly the employment relationship (Coyle-Shapiro et al. 2004; Sparrow and Cooper 2003) and it is deployed in the work of leading scholars, notably David Guest (2007).

**The psychological contract: 1, the contract as socially embedded**

The concept is arguably the most sophisticated of conventional approaches. Thus earlier accounts left themselves open to charges of taking a managerialist and prescriptive approach that was often unitarist (Legge 2005). The idea of the psychological contract, by contrast, speaks either of the perceptions of both parties in relation to mutual promises and obligations (Herriot and Pemberton 1997) or specifically of the employee’s expectations (Rousseau 1990).

This approach rightly focuses on the famous ‘black box’ of HRM, the attitudes, expectations, and behaviour of workers themselves; the HR-performance literature for example needs to assume that HRM practices work through this particular mechanism if it is to have any convincing explanation of performance outcomes. There are also tantalizing suggestions that the psychological contract can entail conflict, for example, evidence summarized by Guest (2007: 133–5) that breaches of the contract occur on a very regular basis. The implication is clearly that managing HR is more than a technical exercise, but the contract is rendered as a narrow exchange process, and the ‘technical’ rapidly re-asserts itself.

The fundamental problem is that, as its name implies, the psychological contract is seen in individual terms. This leads to two kinds of issues. The first concerns the worker as an atomized unit: a fiction but a standard analytical device. Even such a person will approach a contract in the light of its social and historical context. ‘A contract is not sufficient unto itself,’ as Durkheim (1964: 215) famously put it. Even commercial contracts assume, first, the existence of a legal and social environment permitting the contract to be honoured; that is, they assume a set of institutions without which a contract is merely a piece of paper. A second feature is that contracts assume away what are essentially a series of problematical terms. For example, building contracts typically include a requirement to ‘make good’ a piece of work, but what this means can be understood only on the basis of extra-contractual understandings of the duty.

Individual employees’ expectations are shaped by their understandings of what a ‘job’ is. A worker employed in the US as a check-out worker at a supermarket will have a clear image of what this job means, not only in terms of pay but also the kind of managerial control regime to which she is subject and what satisfactory behaviour entails. This is what the IR view means when it insists that the employment contract is indeterminate (Kelly 2004). Obligations cannot be specified exactly, and the employment contract is different from a commercial one because what workers provide is an ability to work rather than a concrete thing and because they do so
under the authority of others. The indeterminacy is of course resolved in practice, in that a certain amount of work gets done. But this is the point: it is through the process of work that outcomes emerge, and the employment relationship is a living and shifting one whose meaning emerges in its day-to-day enactment. The approach through the psychological contract threatens to reproduce the old debate on ‘orientations to work’ which started from the assumption of fixed orientations and then had to admit that views of work are often inchoate and shifting. More developed views (summarized in Edwards and Wajcman 2005: 19–43) offer a much more sophisticated account that the psychological contracts literature might consider.

This perspective matters for two reasons. First, discussion of the psychological contract talks of delivering certain things to employees such as wages and job satisfaction. But expectations do not revolve around concrete, definable, sets of outcomes that employees can specify in advance. They are shifting, and the emphasis that is placed on different parts can change in unexpected ways. They also contain notions such as fairness which cannot be elaborated in purely contractual terms. Second, the indeterminacy of expectations also works from the managerial side: organizations provide all kinds of things to workers, and the messages that they convey are mixed and often conflicting.

The psychological contract: 2, collective norms

The second issue emerges once we relax the assumption of atomized individuals. It is notable that early use of the term ‘psychological contract’ by Argyris in 1960 referred to a collective relationship between a work group and its manager, but this idea was soon dropped (Taylor and Tekleab 2004: 254). Similarly, the concept of the norm of reciprocity, now widely used in the literature, was introduced at the same time by Gouldner (1960) in an explicitly collective and social context. For Gouldner, reciprocity involves rights and obligations and is a product of social structures. Recall Gouldner’s earlier celebrated work on industrial bureaucracy, which portrayed the complex web of social norms that workers developed and that managers challenged at their peril. Expectations were strongly social.

It might be thought that collective norms are a thing of the past, being based in strong work groups and working-class identities. But the fact of collective norms has been demonstrated in modern workplaces, even though their form of expression may have changed (Ackroyd and Thompson 1999). And even where workers are individualized, the norms under which they operate are social constructs, not purely explicit expectations. Studies repeatedly find that issues of control, power, and conflict continue to characterize the employment relationship, even in circumstances most favourable to unitary models including small management consultancies and firms practising ‘knowledge management’. In other words, workers may approach jobs with certain expectations, which a contractual approach – psychological or of course economic in origin – takes as given. But why do workers expect what they expect?

The limitations of the psychological contract view are highlighted if we look in more detail at Guest’s (2007) analysis, given that it sets out specifically to look at HRM from a worker’s point of view. Several features stand out. First, there is no effort to draw on the substantial case study evidence of what workers actually do (on which, see Thompson and Harley 2007). Second, it acknowledges that ‘organizational change is now so pervasive that sooner or later any deal [between manager and worker] is in trouble’ (p. 133). This statement thus admits that apparent ‘deals’ are extremely fragile while at the same time – and like Sparrow and Cooper (2003) – making no effort to specify the conditions generating ‘change’ and tending to fall back on treating ‘change’ as a mere fact of life like the weather (see Grey (2005) for criticism). Third, it also admits that there has been work intensification, this time citing grounded evidence
(Green 2006) on the causes of this trend. It then uses this fact to argue that, because HR practices are rare, intensification cannot be ‘attributed to HRM’ (p. 140). This can only mean that intensification cannot be blamed on that variant of HRM which is rare, namely one using a wide set of high-commitment, high-involvement practices. It is plainly wholly consistent with ‘low road’ HRM. Moreover, there is evidence that high-involvement activities also entail work pressures (Edwards and Wajcman 2005: 123–41): the general rise in work intensity does not reflect such HRM, but where this HRM is practised, intensification can also occur, though here workers may well accept the result because of the countervailing benefits. Guest’s conclusion on this point is that ‘HRM is only associated with stress where management fails to meet its promises and obligations’ (p. 140), which is like saying that sin occurs only where there are sinners. We might add that Guest sees ‘satisfaction’ as a lasting and fixed attribute, rather than asking ‘satisfied with what, and in the light of what?’ Job satisfaction surveys since the 1950s have shown that most workers are ‘satisfied’ most of the time. It may be true that those working under some regimes are more satisfied than others, which should not be surprising, but to conclude that there is happiness is rather overly optimistic. Other approaches have shown substantial unmet demand for more voice (Bryson and Freeman 2006; Freeman and Rogers 1999).

This leads to Guest’s next argument, that trade unions are associated with low satisfaction, which he uses to dismiss the claim that HRM promotes a unitarist system that reduces employee voice. There is a curious slippage here, for whether or not union workers are dissatisfied says nothing about the voice that they enjoy. The association of unions with low satisfaction is not new, and a key possible explanation – that unionized workers simply expect more than others – has not been ruled out.

More generally, it surely is the case that HRM does promote a particular interpretation of the world. This may not be cruelly unitarist: I would also agree with Guest’s next point, that HRM is not a deceitful ideological ploy: workers are not cultural dopes. But ideologies and world views are much more subtle than deception. The ‘change is inevitable’ theme certainly seems to have persuaded Guest himself, and it is part of a set of discourses – about competition, globalization, and so on – that affect how people see the world and what they think they can do to change it. As HRM’s many critics point out, there is much in HRM that is geared to managerially defined notions of performance (Legge 2005), as opposed to the recognition of competing definitions of what constitutes performance and of how it is to be attained.

**Nature of the employment relationship**

For an IR approach,

‘human resources’ are different from other resources because they cannot be separated from the people in whom they exist. The employment relationship is about organizing human resources in the light of the productive aims of the firm but also the aims of employees. It is necessarily open-ended, uncertain, and . . . a blend of inherently contradictory principles concerning control and consent.

(Edwards 2003: 4, emphasis in original)

First, there is equal attention to the employer and the employee. HRM is necessarily about the management perspective whereas IR is not.

Second, the employment relationship is open-ended in that obligations cannot be specified in detail in advance. Now, this view has been adumbrated in several traditions including transaction cost economics, but these deal only with the uncertainties of any form of
contracting where there is imperfect knowledge and terms cannot be laid down in advance. IR goes further, by locating this uncertainty in the fundamentals of the relationship.

This is the third element, an explanation of conflict and co-operation (note that this is an explanation, even though some IR scholars think that a focus on conflict is merely an assumption or a matter of personal emphasis (Edwards 1986)). The fundamentals of the employment relationship entail a double indeterminacy: from the side of the employer, there is a need to control (i.e. regulate, manage, discipline) workers but also to use workers’ creative capacities constructively; workers wish to resist or to negotiate the terms of this control while also wishing to work effectively. Reasons for working effectively include instrumental ones, notably an interest in the continued survival of the firm, but also ones to do with personal satisfaction and pride in the work: studies repeatedly find that workers feel commitment to the job itself and enjoy a sense of achievement. The relationship is contradictory because it entails the working through of principles which pull in different directions. Conflict and co-operation are thus mutually entwined.

The employment relationship has an element of conflict at its heart. This is called a ‘structured antagonism’ (Edwards 1986) to distinguish conflict in the sense of an overt dispute from underlying principles. Managing the employment relationship is a process of dealing with inherently contradictory forces. Antagonism is built into the basis of the relationship, even though on a day-to-day level co-operation is also important. This idea is superior to that of a conflict of interest, for the latter has the problem of implying that the real or fundamental interests of capital and labour are opposed, which leads to a stark and readily dismissed view. A structured antagonism is a basic aspect of the employment relationship which shapes how day-to-day relations are handled but is not something which feeds directly into the interests of the parties. Firms have to find ways to continue to extract a surplus, and if they do not then both they and their workers will suffer. Balancing the needs of controlling workers and securing commitment rests ultimately on ensuring that a surplus continues to be generated. It may well be in workers’ interests that it is indeed generated, but this should not disguise the fact that they are exploited.

Yet employment relationships do not entail a daily working out of first principles. How is this achieved? IR’s answer — and the fourth element of the approach — is ‘rules’, as in a classic definition of the field as the ‘study of the rules governing employment’ (see Edwards 2003: 8). Rules tended to mean the formal rules of employment as laid down by law or in collective agreements. But IR research also gave great attention to more informal rules. These can be placed on a continuum. Some achieve quasi-formal recognition, as in the once-familiar concept of ‘custom and practice’, meaning established norms in a particular workplace over the conduct of work. A standard example would be leaving work early if tasks had been completed. Custom and practice can establish strong expectations about key aspects of work such as who has the right to allocate work and the dividing line between one job and the next. Other rules are much more informal understandings. But they remain social products that define how work is organized. They are produced continually, and they shift in the light of the activities of their authors and the external environment. In offices in the past, for example, it was often the tacit rule that secretaries acted as office wives. In the light of equal opportunities policies, such informal understandings of the respective rights of managers and secretaries have changed. The key analytical point here is that any work relationship has such unwritten expectations which are socially defined and reinforced. Students of the psychological contract who believe that a limitation of IR is its neglect of the informal are seriously misinformed.

Rules are ways to manage the conflict and co-operation that are inherent in the employment relationship. An IR approach does not deny the centrality of co-operation, and a ‘unitary’ view

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reflects part of reality. But we need to understand the nature of co-operation. It is true that workers, when asked whether a firm is like a football team or whether employers and workers are on opposite sides, often choose the former. An early study found that 67 per cent of a sample of manual workers agreed with the statement that ‘teamwork means success and is to everyone’s advantage’. But what does this mean? When asked whether they agreed with the team view ‘because people have to work together to get things done’ or because ‘managers and men (sic) have the same interests in everything that matters’, workers split about six to one in favour of the former (see Edwards 2003: 12). A unitary HRM view mistakes pragmatic accommodation for fundamentally shared goals and values.

Rules are social products in that they are negotiated, formally or informally, between managers and workers and they then become inscribed in norms and expectations: they exist over and above any preferences that individuals may have. Any workplace has a set of norms and expectations governing conduct. British IR used to give particular attention to the informal, reflecting the limited scope of formal collective agreements in that country. In many other countries, legal and collectively bargained rules played, and continue to play, a much greater role. HR and IR scholars accustomed to Anglo-Saxon practice are sometimes surprised to learn that in France, where trade union membership is probably even lower than it is in the USA, coverage by collective agreements continues to embrace around 90 per cent of the workforce. This idea has been given new impetus by the emergence of rules at several levels, which has given rise to the concept of multi-level governance. In Europe, this embraces EU-level directives on issues embracing working time and information and consultation, national-level laws, collective bargaining rules, and local practice and precedent. In the USA, courts in some states have developed case law that puts limits on the traditional doctrine of employment at will, while equal value and sexual harassment cases have also placed powerful constraints on the conduct of employment issues within the firm.

Fifth, HRM’s lack of a view of power was noted above. It is true that IR texts have also lacked explicit attention to power. But the concept has run implicitly through the analysis (Edwards 2003: 10–13). Most obviously, power is deployed in overt disputes. But it may also be used to legitimate certain claims, as when a worker uses an existing rule to dispute a managerial demand. More broadly still, rules themselves inscribe a balance of power, which may reflect the result of some previous overt dispute or more tacit processes of compromise. Power is a resource. It can be seen in terms of ‘power to’ achieve goals and ‘power over’ others. A conventional view stresses the former, whereas some ‘radical’ views stressed the latter. In fact, the two interact. Consider, for example, a performance appraisal scheme. It may achieve some broadly shared objective such as greater transparency of the link between effort and reward. But it can also promote a particular vision of how an organization should function. And it may reflect purely sectional goals, such as the desire by one group of employees to monitor and control another more strictly. A perspective in terms of power can help to untangle these different elements (Edwards and Wajcman 2005: 116–23).

A final feature of IR is more methodological. Historically, there was an emphasis on a ‘going to see’ approach, often with little by way of formal theory or hypotheses. Despite the rise of large-scale surveys, the approach remains a substantial one, as illustrated by book-length studies of the conduct of employment relations as well as journal articles and edited collections. Though originally focusing on factory jobs, the approach has powerfully informed studies of service work and even management as well as recent innovations such as Total Quality Management (see Edwards 2005: 270–1).

A key feature of the approach is the desire to obtain a holistic picture of work experience. Methods typically include observation and unstructured interviews. This research illustrates the
nature of contradictions in the employment relationship. Watson’s picture of a group of managers, for example, is of people who felt commitment to their role as managers but also distance from and scepticism towards more senior company management; this was combined with similarly contradictory relations with workers, which turned on managers’ own sense of distance and a belief in the need to control workers but also the view that change programmes could be made to work.

Correcting some weaknesses in HRM

What difference does it make to insist that the employment relationship is one of power and ambiguity and that it takes place on a particular terrain of ‘political economy’?

First, HRM has a tendency to hubris. This is most marked in that part of the performance literature that claims to distil specific principles or even to calculate the financial returns from a set of practices (see Legge (2005) for criticism). Claims to find lasting answers to the management of firms often ring hollow, as the search for ‘excellence’ showed. The HRM debate has been marked by studies that try to rein in this exuberance by reporting limited and at best ambiguous achievement (e.g. Mabey et al. 1998) and by insisting on the importance of the human subject and the very narrow and instrumental view of the ‘human’ in HRM. Such work often builds on the idea of the employment relationship as contested and uncertain, and it constitutes a necessary corrective to excessive claims. It helps, moreover, to understand the reasons for common HRM puzzles such as why the returns on high performance systems are so uncertain. Once we move away from a view of HRM as constituting a set of levers that can be pulled to a more complex view of the politics of work, the uncertainties of claimed ‘effects’ can be grasped. Note, moreover, that even models of contingency and fit do not go far enough: they recognize that certain levers may work in only some circumstances, but they still assume that appropriate conditions of fit can be identified. A richer view suggests that any fit may be partial and uncertain, and that the degree of fit may be apparent only ex post.

Second, the above argument may seem to imply that there are no solutions. It is true that practice needs to be seen as more uncertain than the finding of clear answers, for if messages are necessarily mixed and HRM is about the management of contradictory forces then there can be none. An IR approach, moreover, insists on treating the employment relationship from the points of view of different parties: what may be a solution to one party may be a problem for another – and these parties need not be defined in ‘management and worker’ terms, as when actions by senior managers affect the job prospects of other managers. Yet ways of thinking about practice can readily be suggested. Sisson and Storey (2000) identified two key issues – balancing flexibility and security, and linking collective and individual approaches to workers – which they drew together around a third, the need for integration within HR activities and between HR and business strategy. They were proposing not concrete solutions, but ways of thinking through the dilemmas of managing people. They may have implied a sanguine view of integration, for it is not clear how one can achieve integration among competing and amorphous elements. But the central message was to be aware of the need to think whether one practice is consistent with another: a solution may not be possible, but thinking explicitly about the consequences of actions improves the process through which contradictions are managed.

Third, the uncertain nature of strategy can be addressed. Discussion of strategic HRM has turned on securing internal and external fit, as though these things are technical questions. Yet around the time that these debates were emerging, Hyman (1987) pointed to the different
domains in which strategy might be practised and the fact that these are in contradiction with each other. He is often quoted for the argument that any strategy is a route to partial failure, which was certainly an important perception, but underlying this was a view of employment strategy as a contested process. The more recent development in the wider strategy literature of ‘strategizing’ perspectives also underlines the enacted and contested idea of strategy – as opposed to strategy as a clear ‘thing’ that can be laid down from the top. A continuing awareness of strategy as a resource with varying meanings for different groups can help HR practitioners to reflect on what they and other groups are trying to achieve.

Fourth, HRM can be linked to its social context. Take the issue of the skills and knowledge of workers. Looking at HRM as a managerial technique at the level of the firm can deal with such issues as systems of recruitment and training. It cannot ask why the firm has the skills pattern that it does. This is one of the problems of strategic integration: HR practice is ‘integrated’ with what the firm currently does, but it does not ask whether this is desirable in the longer term. The approach is, moreover, limited to the individual firm. But what of the pattern of skills at the level of the economy? This issue cannot be resolved through an approach that assumes that organizations identify the skills that they need and they are provided either by the market or by appropriate policy interventions to improve supply. HRM in its high-road variant places great emphasis on skills and knowledge, but the question of where skills come from, and how they are used, and why firms demand the skills that they do, requires a different level of analysis. This point leads to challenges to both HRM and IR.

Beyond IR and HRM?

The limitations of an IR approach are increasingly recognized (Ackers and Wilkinson 2003b). It tended to treat the worker as a category (‘labour power’) and found it hard to incorporate gender and ethnicity. The emphasis, in the definition given above, on the humanity of human resources also implies interest in such issues as ethics and human rights, but these scarcely featured in IR texts until very recently. In many respects, IR and HRM have both felt the need to become more open to ethics and ‘social legitimacy’ (Boxall and Purcell 2003). Influences from outside the workplace, notably the state, were perhaps easier to take into account but were still treated as largely exogenous.

In terms of method, too, the limitations of the case-study approach are easy to identify. It can be hard to establish the nature of events in any one case, because there is no specific hypothesis under test, explanations of patterns may be implicit rather than explicit, and some information may be absent (because the focus is the concrete experience of work, with managerial strategies and the external context appearing indirectly if at all). And generalizing from a case is difficult since it may be atypical in many respects. Some HRM researchers argue that case-study-based evidence is indeed unreliable, and often not a test of HRM at all (Guest 1999). Yet it cannot be dismissed so readily. First, much of it – for example, evidence on work intensification and tightening managerial control – is consistent with quantitative studies (Green 2006). Second, it has been possible to suggest causal accounts (Edwards 2005). It remains the case, however, that such accounts are often post hoc and plausible interpretations rather than clearly grounded and tested explanations.

These limitations are considerable, as rehearsed at length elsewhere (Ackers and Wilkinson 2003a). But they should not be fatal to IR as an intellectual project. If we look first at the range of issues directly addressed by IR and HRM, there is clear evidence that gender perspectives have increased their influence. Related to this, attention has turned to groups of workers outside
the core remits of IR (those covered by collective bargaining) and HRM (workers who are in some way seen as key assets and who work for firms practising some kind of systematic HR policy). These groups include workers in small firms and those in low-paid and marginal jobs.

Turning, second, to the social and political context, international comparison has been transformed from a rather dull cataloguing of labour laws and collective bargaining arrangements to comparative research asking analytical questions about the nature of employment regimes. The ‘varieties of capitalism’ and ‘national business systems’ literatures have become well known, and they have stimulated research on how employment systems operate in different contexts. The fact that Rubery and Grimshaw (2003) have been able to produce a text synthesizing a range of knowledge is one measure of the success and maturity of this tradition.

There remains, however, a great deal more to be done within these traditions. One example will suffice (Edwards 2005: 272). A core focus of IR has long been the extent to which workers organize collectively and how they identify sets of interests and represent these interests to managements. A gender perspective has thrown substantial light on the gendered processes involved here. But the contribution to date has tended to stress the overall way in which relevant processes are gendered. The next step is to show just what gender ‘does’ in different circumstances: how far, for example, do men from one social background have distinct sets of gender-based resources (male solidarity and so on) that are different from those of men from different backgrounds? A further step would address how work experience acts to amplify or amend gender-based resources.

If this example is relevant to an IR approach, what does it say in HRM terms? One part of the answer is that there should be no distinction. If HRM is concerned with the employment relationship, then it needs to address the social structuring of work. But the question is pertinent because HRM has been about the management aspects of the relationship, and gender has been analysed in terms of equal opportunities practice and not more fundamentally in relation to workplace regimes and their social structuring. A broader view would see gender identities as part of the contested nature of the employment relationship.

We do not need here to lay out a detailed research agenda, but one overall point is key. Debate in HRM has tended to swing between some very general overall models, as reflected in the numerous textbook frameworks and diagrams, and concrete empirical research, usually undertaken within a positivist hypothesis-testing mode. Between these extremes lie, of course, a series of case studies but there are at least two issues around them: they address their own particular themes, so that they do not generalize into a research programme; and they often try to reveal the essential features of a practice, rather than showing the conditions under which it has some features rather than others. Once a set of core propositions about the employment relationship has been identified, it should be possible to proceed towards more nuanced questions about how the relationship works in different conditions. An earlier generation of IR workplace studies was able to show what kinds of rules existed in different circumstances and to offer implicitly causal accounts.

It should be possible to take these ideas and apply them in a new context. The task is more challenging than it used to be for at least two reasons. First, the subject of inquiry is more slippery than a set of rules that may have had at least a degree of concreteness in being expressed in understood custom and practice. Second, there is a need to take account of a wider set of causal influences. There is growing emphasis on the multiple levels that shape the employment relationship in a particular workplace and also the need to understand the workplace in different countries (Thompson 2003). But some means exist to put order on this empirical complexity.
Conclusions: will a critical view of the employment relationship develop?

We may conclude by asking whether the above view is likely to become the dominant one. I have argued that it has clear benefits, but institutional fields are defined by assumptions, past practice, norms, and interests as well as by what may be ‘correct’. There are reasons to be doubtful. First, HRM is a management discourse that has its own logic that is hard to shift. Critiques have indeed been around for a long time (see Legge 2005) without markedly changing practice. Second, a rationalistic approach to human nature and a methodology driven by formal hypotheses fits current approaches to the doing of management research. Third, the obverse of the second point is that users of this approach can readily ask where a broader view takes us in terms of researchable questions. The broader view has in fact demonstrated its worth, in showing in detail how work is being reorganized and with what consequences; it also contains clear explanatory ideas (Edwards and Wajcman 2005: Chapters 2–6). Thus an approach that contrasts mainstream empirical inquiry with ‘critical’ studies – that question assumptions but do not, it is claimed, offer much with which to replace a conventional view except deconstruction – is no longer an accurate one, if it ever was. But research paradigms have their own momentum that is hard to shift. Finally, of course, HRM is a management phenomenon as well as an academic discourse. The more that its practitioners sell HRM as a contribution to corporate strategy and as a set of techniques, the more it will be locked into a technical and narrow conception. As Kaufman (2004: 334) among others points out, HRM has become a discourse that promotes the interests of its practitioners.

There are however – as in any practice riven by contradictions – alternative possibilities. A growing interest in stakeholder models of the firm and a willingness to engage with ‘corporate social responsibility’ suggest that some firms may be open to pluralist models of the enterprise. It may also be the case that a style of targets and performance measurement has run its course and that there will be a swing back towards allowing more creativity and autonomy. In laying out the ‘core principle’ of industrial relations, Kaufman (2007: 29) argues that

free labor markets – without the balance, fairness, social protection and macroeconomic guidance offered by the institutions of industrial relations and the visible hand of state management – will necessarily create or perpetuate conditions that undermine their own effectiveness and survival.

This is of course an old Marxist argument: that capitalism unrestrained is self-destructive. It should be seen as a tendency and not an inevitable consequence, for capitalism has been very effective in re-inventing itself. It is nonetheless central: HRM functions in a contradictory world, and the practices that it promotes need underpinning through other mechanisms. In the words of Kaufman, to ‘democratize and balance the market system’ calls for expanded and reformed institutions, and an IR view can help us ask what those institutions might be and do.

It is indeed well established that management fashions run in cycles, from tight control to more ‘human relations’ styles and back again. Whether or not such cycles embrace a genuinely pluralist view of the enterprise is a more difficult question. HRM, even in its more ‘empowering’ mode, is essentially driven by management agendas, and managers are reluctant to give up power to others.

The answer is likely to depend not so much on debates within HRM and IR as on external forces. Corporate Social Responsibility, for example, reflected changes in the business environment and not a sudden conversion within firms to a new approach. In the employment
field, labour laws have required firms to do all kinds of things that they might prefer to avoid. It is true that firms have been able to shape the nature of the response but nonetheless they have had to respond, for example, in the area of equal opportunities. Other influences come from the labour market and the demands that workers are able to make: limited labour supply can be a powerful motivator for firms, as when equal opportunities become promoted as a means to retain skills that are hard to replace. And customers can also put pressure on firms, as, for example, the many firms that stress that their call centres have not been outsourced and that they offer a personal service. Examples of changed practices are not hard to find; for example, firms have rushed to be seen to be family friendly. Such developments have often been patchy, and, in liberal market economies such as the US and the UK in particular, it is difficult to institutionalize them. They nonetheless illustrate what may occur.

HRM is, however, strongly embedded in teaching and practice. Whether or not a more reflective approach emerges is hard to say, but the results of concrete efforts to ‘add value’ have been at best very patchy. It may be that a different style will emerge. As Marx might not have said, ‘HR managers have merely tried to change the world; the point, however, is to understand it’.

Note

1 To keep within word limits, referencing has been restricted. References and fuller discussion of analytical themes can be found elsewhere (Edwards 2003, 2005); empirical evidence is summarized in Edwards and Wajcman 2005.

References


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