The Ideological Evolution of Human Resource Management

A Critical Look into HRM Research and Practices

CRITICAL MANAGEMENT STUDIES

Series Editor: Albert J. Mills

The Ideological Evolution of Human Resource Management

A Critical Look into HRM Research and Practices

By

Sami Itani
Aalto University School of Business, Finland

Reprints and permissions service
Contact: permissions@emeraldinsight.com

To my sons Emil and Oskar.
I love you more than anything.

Abstract

This book explores the ideological evolution of Human Resource Management (HRM) from the 1950s until the present day in a twofold manner. First, the study maps out the development of HRM practices as ideological control mechanisms naturalizing organizational power asymmetries, hence providing employees under modern capitalism with emancipatory awareness and opening up avenues for the theoretical development of Critical Theory. Second, it contributes to the needed metatheoretical development of the HRM field by illuminating the ideological dimensions and the normative ideals that HRM scholars create, reflect, uphold, or resist in their research. It analyzes a dataset of the most impactful HRM articles over five decades by combining Giddens's (1979) five forms of ideology and Critical Discourse Analysis. The findings reveal five distinct time periods during which HRM research and practices have been applied to control employees with varying ideological intensity, ranging from comprehensive suppression to a brief moment of emancipatory resistance. Moreover, the discursive strategies of HRM researchers principally imply an uncritical stance toward employment relationships and academia's own role in legitimizing them, which accentuates the need for creating cooperation and better understanding across paradigm borders.

Keywords: Human resource management; personnel management; critical theory; critical management studies; ideology; history of HRM

Foreword

This is our fourth book in the Emerald CMS series and the second by a Finnish author. In the latter aspect, I am not surprised. It would not be an exaggeration to say that the depth of critical management scholarship in Finland has been underestimated. In my more than 20 years of experience of working with Finnish management scholars I have been particularly impressed by their understanding and grasp of the relationship between history and the study of organizations and management – long before the UK and central European call for a historic turn. The current volume is evidence of that phenomenon and I am more than pleased that the author – Sami Itani – agreed to publish it in the Emerald series.

Itani's central task is in revealing the "ideological forces" that have shaped the practice of Human Resources Management (HRM) over time. In the process, he sets out to expose the various historical contexts through which HRM was developed and the implications for those involved. Specifically, Itani is concerned with the way that underlying ideological pressures serve to legitimize and naturalize those aspects of HRM that polarize social inequality and support economic and human exploitation. Drawing on the work of Bill Cooke, Itani argues that the problem is not simply one of history but the unquestioned and unexplored ideological burden embedded in existing histories of management that "contributes to the legitimization and stagnation of present day practices, bodies of knowledge, power relations, and institutions." He sets out to make sense of the ideological strands involved in histories of the field.

Outlining his approach to history and his methodological choices for studying the past, Itani acknowledges his realist acceptance and recognition of "there being a 'reality' out there." However, he contends that there is not "one objective history" due to the intervention and imposition of narratives on accounts of the past. From that perspective, he goes on to focus on "the empirical nature of lived reality, material existence, and

narratives' roles in creating history." This shapes his approach to understanding HRM practices over time through Critical Theory and associated methodological strategies that include (Fairclough's notion of) Critical Discourse Analysis and Giddens' five major ways through which "ideology … operates in society … on the level of institutional analysis." In this way Itani maps out "the ideological evolution of HRM practice since the 1950s" to make sense of how such practices contribute to the creation, maintenance, and challenges to employee exploitation in modern organizations. Here Itani's critical aim is to "create an emancipatory awareness that can increase employee influence, autonomy, and wellbeing through engagement."

The mapping of HRM practices over time is pursued by the analysis of leading research in the field through two central questions − (1) What kind of ideological evolution have HRM practices witnessed between their emergence and the present day? (2) Can ideologically distinct periods be detected, and if so, how are they formulated? In this way, the intention is not so much "to demonstrate that HRM should be approached from a critical perspective (instead of positivist perspectives), but rather to explore what might happen if HRM and its historical development were investigated from the perspective of Critical Theory." Here Itani breathes new life into Burrell and Morgan's classic work on sociological paradigms and organizational analysis. By drawing on that framework, Itani explores the interchange between different approaches to HRM and how each reveals different and potentially useful insights into the development of the field. His use of this focus on different research paradigms is designed to encourage "metatheoretical development" to bring "paradigms closer to each other" with a view to enabling "multi-paradigm research."

The outcome is a multi-layered account of the development of HRM practices over time and the role of different ideological contexts in shaping the possibilities of accommodation and change. As such, this book will greatly contribute to our understanding of HRM practices in the post-war era and will provide the theoretical tools for future research.

Albert J. Mills
Professor of Management,
Saint Mary's University

Introduction

Arguably some primordial forms of what we today call "human resource management" (hereinafter HRM) have existed throughout the history of all civilizations and forms of organized collective living. Although management – as we know the concept today – cannot be applied retrospectively, there is a reason to believe that people have always been led and leaders have always tried to understand and control them through what is already known and what has been successfully done elsewhere. However, while we have plausible interpretations about the historical development of the practical manoeuvres in controlling people, we know only a little about the *ideological* forces that have steered the practice over time – and will do so in the future as well. This book is a pioneering study in mapping out the ideological evolution of HRM practices and research, with a particular focus on our contemporary post-WWII era of multinational corporations (MNCs). Moreover, as the approach in unveiling ideology comes from the largely unexplored Critical Theory avenues of theorizing, this study will not only make notable theoretical, metatheoretical, and emancipatory contributions but will also play an important role in creating crucially needed understanding between epistemologically disconnected HRM research paradigms.

Next, I will introduce the aims of this study more specifically and simultaneously put forth the historical context in which HRM will be investigated. Afterward, the theoretical framework and methodology that this book relies on will be presented. I will describe the structure of the book at the end of the introductory chapter.

Research Context and Aims

Although the link between history and the past is problematic (Durepos & Mills, 2012; Mills, Weatherbee & Durepos, 2014),

in order to comprehensively understand the present and plausibly anticipate the future, regardless of whether we speak about research or practice, we need to reflect critically on and try to understand history. The importance of historical perspectives in organization theory and in business research of all epistemologies – especially in the context of MNCs – has been increasingly accentuated (Jones & Zeitlin, 2011; Mills & Helms Mills, 2013; Rowlinson, Hassard, & Decker, 2014). Particularly in management studies, the dominant metanarratives of Western capitalism and the development of managerial thought remain strong and are largely unquestioned (Bruce & Nyland, 2011; Clark & Rowlinson, 2004; Ibarra-Colado, 2006). It has been argued that the prevailing views of management's history bear a strong ideological burden (Cooke, 1999, 2003), which, if remaining unquestioned and unexplored, contributes to the legitimization and stagnation of present day practices, bodies of knowledge, power relations, and institutions. Consequently, I will attempt through this study to do my share in preventing such stagnation from happening and will critically explore the ideological evolution of HRM. Furthermore, in order to be truly thorough in my analysis, I will focus on both HRM *practices* and HRM *research*.

The history of HRM *practices* can be traced back to the late 19th century when unionization was increasing and an industrial relations movement was emerging at approximately the same time in the United States, United Kingdom, France, Germany, and Japan (Kaufman, 2007; Langbert, 2002). According to one of the prevailing interpretations of the past, industrial relations were first replaced by scientific management (also known as "Fordism" or "Taylorism") and between the world wars by the human relations movement (Gantman, 2005; Jacoby, 2004). However, after WWII, in the late 1950s an average employee in the West began to be more educated and women also accounted for an increasing proportion of the workforce. New challenges and opportunities arose for organizational people management, which gradually gave birth to a modern-looking HRM that differed distinctly from previous forms of people management (Seeck, 2008).

Moreover, interest in operational research inspired by the war (Gantman, 2005; Thite & Kavanagh, 2009) and implemented through vast military experience provided an efficient model for the authoritarian and hierarchical enterprise of post-war Western capitalism (Grant & Mills, 2006; Robin, 2001). This all happened simultaneously when the employing organizations

started to internationalize vigorously (Kuokkanen, Laakso, & Seeck, 2010) and, as the number of mergers and acquisitions increased, decentralized into enormous and diversified conglomerate MNCs (Jacoby, 2004). Hence, it can be plausibly argued that in the late 1950s and early 1960s HRM, both as a concept and a phenomenon (Marciano, 1995), emerged simultaneously with modern MNCs.

However, although materialist wealth increased drastically in this era, particularly in the West, it has been argued that employees under modern MNC-driven capitalism were nevertheless in increasing need of emancipation from the ideological bonds that naturalized and legitimized their economic and humane exploitation and also from a polarizing social inequality (e.g., Fromm, 1956; Marcuse, 1964; Braverman, 1974; Habermas, 1984; 1987a; Fleming, 2014). To learn more about this phenomenon, the first aim of this study is to map out the ideological evolution of HRM practices since the 1950s and to increase understanding of their roles in creating, upholding, or resisting the exploitation of employees in modern, post-war organizations. By achieving this research aim, the study will create an *emancipatory* awareness that can increase employee influence, autonomy, and well-being for example through better employee engagement in organizational decision-making. The concrete research questions that guide me in meeting the first aim are as follows:

1. *What kind of ideological evolution have HRM practices witnessed between their emergence and the present day?*
    1.1. *Can ideologically distinct periods be detected, and if so, how are they formulated?*

    With respect to the historical development of HRM *research*, in the late 1950s there was a "boom" in the significance and influence of HRM practices that could also be seen in the rapid growth of people management-related higher education programmes (Kaufman, 2007). Although already during the New Deal in the 1930s, there was scholarly focus on the human being at work (e.g., Taylor, 2008), HRM did not progress into a tangible research field until the 1960s (Morgan, 2006; Strauss, 2001). Subsequently, HRM has attracted significant interest within the academic disciplines of, for example, strategic management (Purcell, 1993), organizational behavior (Kaufman, 2002), and international business (Stahl, Björkman, & Morris, 2012). However, epistemologically,

ontologically, and methodologically the HRM field has been far from a homogenous entity and, in a slightly simplified manner, the frontlines have been drawn between "mainstream" and "critical" research paradigms (Keenoy, 2009) precisely as in organization studies in general (Adler, 2009).

The mainstream has treated HRM as a neutral, consensus-, and practice-oriented framework that is useful in a universal examination of versatile managerial practices and policies (see e.g., HRM handbook by Boxall, Purcell, & Wright, 2007). According to this view, HRM is an independent function among other managerial specialist areas with a unique focus on people and their wellbeing (Cascio, 2010) and commitment to "providing a work environment that meets employees' short-term and long-term needs" (Bohlander & Snell, 2010, p. 4). Arguably, this focus did not emerge for purely altruistic reasons, but rather because motivated, self-fulfilling, healthy, and well-organized employees were seen as efficient employees, and through successful HRM practices a unitarist win-win situation could be crafted in reconciling the needs of employees and employers (Boxall & Purcell, 2011). However, it has been argued that the mainstream research field has become solely dominated by positivistic studies trying to prove the usefulness of HRM practices and to demonstrate a causal connection between HRM practices and company performance (Legge, 2001; Lindström & Vanhala, 2013).

Critical research, on the other hand, has tried to uncover and alter the societal structures, power relations, and ideologies that constitute and shape organizations and workplace relations (Adler, Forbes, & Willmott, 2007). By combining a critique of ideology, identity, values, employee subject, control, knowledge and their manipulation, and economic questions of material redistribution, critical scholars have aimed specifically at emancipatory research (e.g., Townley, 1993; Sewell, 1998; Zanoni & Janssens, 2004). Critical researchers perceive HRM as an integral ideological control mechanism ensuring the commitment of workers to the sectional and economic goals of the company elite, rather than a functional response to the needs of individuals in reaching their full potential as human beings (Townley, 1994; Legge, 1995/2005). Thus, instead of treating HRM as a field of specialization in management, HRM has been viewed as a manifestation of a broader ideological setting where predominant

forms of perceiving the world are shaped by taken-for-granted assumptions and asymmetrical power relations in the context of modern capitalism, where the interests of the privileged and the rest conflict (Peltonen & Vaara, 2012).

Mainstream research is accused of crafting a nice-looking but ideologically loaded discursive smokescreen (Ahonen, 2001; Guest, 1990; Keenoy, 1997) that scientifically legitimizes ethically questionable HRM practices that favor the corporate elite (Greenwood, 2013; Mueller & Carter, 2005). A basic assumption from the critical side is that management scholars are ideologists who "serve dominant groups through socialization in business schools… and provide the aura of science to support the introduction and use of managerial domination techniques" (Alvesson & Deetz, 2000, p. 84). This view contradicts the mainstream perception of researchers as relatively neutral and autonomous actors who are able and willing to conduct value-free research.

As can be anticipated from the fundamental disagreements presented above, thus far there has been hardly any understanding between the two streams of research (Keenoy, 2009; Legge, 1989; Townley, 1994; Watson, 2006). Furthermore, as has been the case with most post-WWII social sciences (see e.g., Heidegger 1954; Horkheimer & Adorno 1944; Marcuse 1964), the societal hegemony of instrumental reason has also led in HRM to domination of positivistic mainstream studies in the leading academic forums (Fleetwood & Hesketh, 2008; Keenoy, 2009), thereby leaving alternative perspectives (e.g., Critical Theory) little chance to develop (Legge, 2001). This lack of interparadigm understanding and the one-sidedness of research in the leading journals has not only caused the HRM field to neglect the study of its normative assumptions (Kaufman, 2012) and the ideologies that underpin the employment relationship within modern capitalism (Delbridge & Keenoy, 2010) but also more broadly hindered *metatheoretical* development, for which there is now much need (Delbridge & Keenoy, 2010; Hesketh & Fleetwood, 2006; Keegan & Boselie, 2006).

Considering how developing metatheories – that is, theories about the knowledge of the field, how it develops, how it is validated, and how it is linked to practice and action – can give answers to questions such as (a) what is truly "scientific" in the HRM field? (b) which epistemological, ontological, and methodological stands have gained

currency and why? (c) where are the philosophical, ideological, and moral roots of HRM?, (d) how has the field evolved and been structured throughout its history? and (e) how should the field approach its internal controversies? It is clear that mainstream scholars may also benefit from the answers to such questions and gain critical awareness of the nature of the knowledge they produce. Moreover, metatheoretical development arguably aids *all* researchers in asking important questions, building cohesion, and preventing fragmentation in the research field thereby making it theoretically stronger. Furthermore, according to Tsoukas and Knudsen (2005), such impact becomes highlighted in multidisciplinary research fields such as HRM. Additionally, metatheories would be fruitful to pursue because they bring research paradigms closer to each other and enable multiparadigm research strategies (Lewis & Grimes, 1999; Lewis & Kelemen, 2002; Robledo, 2014) that have increasingly brought theoretical depth and epistemological variety to leading academic forums throughout organization studies (see e.g., research review by Lewis & Grimes 1999), except in HRM research, where they are still largely absent.

Consequently, as a second aim of this study, I will map out the ideological evolution of HRM research in order to introduce new metatheoretical insights and bring more historical understanding, depth, heterogeneity, and opportunities for paradigm cooperation to the discipline. The research question guiding this aim is as follows:

2. *What kind of ideological evolution has the HRM research field witnessed between its emergence and the present day?*

To summarize this subchapter, I want to highlight that although I will embrace critical epistemology in this study, the underlying intention is definitely not to demonstrate that HRM *should* be approached from a critical perspective (instead of positivist perspectives), but rather to explore *what might happen if* HRM and its historical development were investigated from the perspective of Critical Theory. In addition, another thing important to explicitly clarify is that the focus of investigation is not on HRM in MNCs but on HRM *in the era of* MNCs, although the development of modern HRM has in fact vastly, but not solely, taken place in MNCs.

Theoretical Positioning, Data and its Analysis

Theoretically, this study leans toward Critical Theory and its "classical" (Kellner, 2008, p. xi) interpretation, which was derived through Hegelian dialectics to Marxist theory and was influenced and developed further namely by Antonio Gramsci, Gyorgy Lukacs, Max Weber, and the Frankfurt School. Emancipation gained through *ideology critique* is the main task of classical Critical Theory, with the primary targets of critique in an organizational context being naturalization of the social order, universalization of managerial interest, suppression of conflicting interests, domination by instrumental reasoning processes, and lastly, hegemony, that is, the process through which consent is created. (Alvesson & Deetz, 2000).

Like the above-mentioned targets of critique, the sociologist Anthony Giddens (1979) has outlined five major ways through which "ideology actually operates in society… on the level of institutional analysis" (p. 193). He speaks about five constructs or forms of ideology, which are the following:

(1) *The representation of sectional interests as universal ones,*
(2) *Denial or transmutation of contradictions,*
(3) *The naturalization of the present,*
(4) *Factual underdetermination of norms guiding the action,* and
(5) *Normative idealization of sectional goals.*

In this study, it is particularly Giddens's conceptualizations of ideology that form the backbone of the theoretical framework and are used for several reasons. First of all, they offer a coherent and thoroughly explicated framework for investigating a highly complex phenomenon. Second, as will be meticulously explained in the literature review, the framework is in many ways loyal to classical Critical Theory, which is apparent for instance in the way Giddens accentuates the role of science and researchers in ideologically serving the needs of societal elite. Third, considering the alleged lack of critical research and excessive positivism in the HRM field (e.g., Legge, 2001), I believe that such frameworks from epistemologically critical sociology will provide novel and fruitful approaches that will revitalize HRM studies. According to Burawoy (2004), the distinctive characteristics of critical sociology include the focus on reflexive knowledge and will to

challenge the naturalized world, interaction between academic and extra-academic audience, and most importantly the tendency to question the principles of hegemonic science and especially its moral foundations.

Also, it is worth mentioning that while Giddens has been influential in management studies (Whittington, 1992), the emphasis has been on his theory of structuration (e.g., Willmott 1981, 1986, 1987) and ideas about self-identity (e.g., Alvesson & Willmott, 2002) because of which there are now calls for a broader use of his theories (Thompson, 2012). For example, Giddens's (1979) particular framework for analyzing ideologies brings depth and novelty to the HRM field where discussions on ideologies have been moving around relatively simplistic dualities, such as pluralist versus unitarist HRM (Geare et al., 2014), hard versus soft HRM (Guest, 1987), or rational versus normative control (Barney & Kunda, 1992).

The data of this study are a cluster of articles from one of the world's leading Human Resource journals, *Human Resource Management* (hereinafter *HRM* written with italics). Being established coevally with the HRM profession in 1961, *HRM* is one of the oldest journals in management studies. Moreover, *HRM* has long been the only human resource journal in the prestigious FT45 ranking and is consistently listed in the highest fourth class in the journal ranking of the Association of Business Schools (ABS). In spite of the justified critique of such journal rankings (see e.g., Macdonald & Kam, 2009; Mingers & Willmott, 2013; Willmott, 2011), *HRM*'s high placing in them is an indicator of the journal's uniqueness and significance in mirroring and shaping contemporary HRM. In addition, most studies published in *HRM* can arguably be placed in the mainstream research paradigm, which I consider to be a very positive matter methodologically, because it is natural (and presumably more advantageous) to begin development of a metatheoretical understanding with the perspective of the dominant school of thought.

Additionally, *HRM* is a justifiable source for scrutinizing and mapping out the ideological evolution of both HRM practices and research. The journal rigorously emphasizes the importance of practice and managerial implications and also embraces practice-oriented articles from international HRM academics (Human Resource Management, 2015). In fact, between 1961 and 2011 there have been 632 empirical articles, 335 practice-oriented articles, 181 purely conceptual articles,

and 39 literature reviews published in *HRM* (Hayton, Piperopoulos & Welbourne, 2011). Furthermore, considering how throughout the history of HRM the dominant practices have faithfully reflected the salient contemporary theories (Marciano 1995), and how "in the last 60 years, managers' occupational beliefs and worldview have come to dominate … organizational studies and practice" (Grant & Mills, 2006, p. 201), we can conclude that HRM theory and practice are in any case closely intertwined and diversely aligned.

The articles analyzed were selected because of their assumed impact. Consequently, 13−16 of the most cited articles from each decade (1960s, 1970s, 1980s, 1990s, and 2000s) were analyzed completely, from abstracts to references. This resulted in a total of 73 analyzed articles. At the end of the book, Appendix provides a comprehensive list of the articles reporting (a) the year of publication, (b) exact source, (c) name of the study, (d) author(s), (e) number of citations, and (f) the code with which the article is referred to in the findings.

As a methodological choice for data analysis, I have decided to use Critical Discourse Analysis (CDA) as introduced by Fairclough (1993, 2003). CDA offers a suitable methodology for this study because it was crafted to steer attention to how discourses linguistically settle the social world and its differing representations, with a particular focus on understanding social problems that are mediated by mainstream ideologies (Mumby, 2004; Siltaoja & Vehkaperä, 2011). In practice using CDA means that I have explored and unveiled the discursive strategies of HRM authors, which can be traced to Giddens's five forms of ideology. There is increasing demand in HRM research for classical Critical Theory (Greenwood, 2013; Islam, 2012) and CDA (Francis, 2006), which Alvesson and Willmott (2003) mention as a combination through which one can go beyond the easily observable, explicit and superficial aspects of ideology.

Finally, when looking at "history" in this study, I do recognize there being a "reality" out there, but I admit that there is no *one* objective history, because narratives matter in constructing history. In other words, by being epistemologically critical, and acknowledging the empirical nature of lived reality, material existence, and narratives' roles in creating history, I aim for plausibility rather than accuracy in my historical analysis.

Structure of the Book

The structure of this book follows a relatively conventional research monograph pattern. After the introduction, I will first conceptualize "ideology" from the perspective of the critical research tradition in the literature review. Subsequently, a chapter covering metatheories in HRM is presented, after which Giddens's (1979) five forms of ideology are discussed in detail. Afterward, the development and main ideas of Critical Theory are meticulously elaborated and contextualized into management studies. The literature review ends with a diverse presentation of critique of Critical Theory.

The literature review is followed by a methodology chapter. Here, I will explicate and justify the methodological framework of the study, including discussions on the analytical methods and the data under scrutiny. I will sum up the methodology chapter by critically reflecting on the ideological stance of this particular study. After the methodology chapter, the findings are introduced in a chapter that addresses each distinct time period of HRM's ideological evolution in a separate subchapter. Moreover, each of these subchapters begins with a comprehensive overview of HRM's contemporary history, which is essential for an understanding of the findings in their respective historical contexts. Subsequently, the research questions are answered more compactly, after which the conclusions chapter summarizes the study and addresses its contributions.

Also, in order to make the book more readable, each main chapter begins with a more detailed description of its content and structure.