INTRODUCTION

The field of human resource management (HRM) has emerged, developed, and evolved during the past century to represent one of the more interesting and important areas of organizational science and practice. In the first chapter, HRM was defined as the branch of organizational science that deals with the employment relationship, along with all the decisions, actions, and issues involved in that relationship. Because of its focus on the entire employment relationship, the field of HRM has not developed in isolation, but rather in the context of industrial change and economic development. As such, HRM represents a response to the dramatic and continued change that industrialization has had on society and the world of work (Miller & Coghill, 1964).

In this chapter, we review the history and evolution of the practice and science of HRM. In the first section, we describe the development of the practice of HRM as a series of eleven stages, beginning prior to the Industrial Revolution and continuing up to the present. The purpose is to provide the reader with an understanding of the settings in which HRM practices developed, the approaches to management that contributed to HRM, and the changing roles the HRM function has occupied. In the second section, we describe the development of the science of HRM. This examination reveals that whereas the science and practice of HRM were more closely related when the field first emerged, over the years these two areas became increasingly separated and distant.

DEVELOPMENT OF THE PRACTICE OF HRM

Stage 1: Preindustrial era

The first stage is the preindustrial era, beginning around 1400 and continuing until the late 1700s. While the preindustrial period is characterized by an absence of any formal HRM function within organizations, several dramatic changes occurred during this first stage that represent seeds from which modern HRM later grew (Ling, 1965). First, there was a cessation of feudalism, the release of the laborer from the traditional serfdom relationship that bound workers to the land, and
the beginning of the free employment relationship on which modern labor markets are based (Moore, 1951). Second, there was a shift from subsistence agriculture to a commercial mixed economy, the rise of the urban economy, a diffusion of economic control, and the distribution of wealth and income (Tuma, 1971). Third, there was a dramatic growth of towns and villages along with a middle class that included skilled craftsmen and merchants, who were the forerunners of entrepreneurs or factory owners (Watson, 1977).

Fourth, there was the emergence of labor specialization as part of the employment relationship. As a result of market and product expansion, craftsmen increasingly came under the service of merchants who served as middlemen. This relationship has been referred to as the domestic or putting-out system (Weber, 1927). It began when merchants began supplying craftsmen with production materials and agreed to take the finished products, and progressed to the point where the merchant controlled the production process. While the worker’s dwelling remained the place of production, the putting-out system reduced the workman’s productive labor to a permanent debt, and employee-type, relationship (Moore, 1951).

**Stage 2: The Industrial Revolution and the factory system**

The Industrial Revolution began in Great Britain in the late eighteenth century and spread to America in the early nineteenth century. Industrialization completely changed the way people earned their living. It was made possible by the replacement of human skill and effort with the rapid, exact, and indefatigable work of machines, and the replacement of human strength with inanimate sources of power.

One of the primary innovations of the Industrial Revolution was the development of the factory system. The factory was central to the process of nineteenth-century industrialization and to the development of the practice of HRM. Factories were places of production based on free or wage labor and fixed capital (Weber, 1927). In general, the factory greatly expanded production and created a new class of workers and managers (Chandler, 1972). In addition, the factory system eventually led to the shift from an agriculturally based society to an industrial and manufacturing based society.

The factory resulted in dramatic changes in the organization of American industry. First, the factory system displaced and gradually replaced the self-employment household and handicraft (Chenery, 1922). Second, the factory created a class of permanent wage earners (Wera, 1921). The factory brought together many workers, who no longer could own the tools of production and because of social changes had no other way to gain a livelihood (Ware, 1924; Braverman, 1974). Third, the factory resulted in a rationalization of work and a division of labor (Weber, 1927; Hays, 1957). Production tasks were subdivided and routinized; workers became mere tenders of machines who performed specialized, repetitive, and discrete tasks that constituted only a portion of the production process.

A fourth change brought about by the factory system was the necessity of managing or supervising large numbers of workers. In the early American factories, prior to the Civil War, factory owners were usually the managers and HRM practices tended to be personal and paternalistic (Milton, 1970). As time progressed and factories began to grow in size, this highly personalized form of management was eclipsed by a laissez-faire approach to HRM that was a reflection of the ethos of the nineteenth century (Wells, 1923; Milton, 1970).

Under the laissez-faire form of management that came to dominate the factory system following the Civil War, personnel practices were autocratic, based upon a commodity concept of labor, and reflected little concern
for the working conditions, safety, or job security of workers (Wera, 1921; Chenery, 1922; Weisberger, 1969). Seen as merely another factor in production, labor was purchased at terms designed to maximize the employer's profits. Consequently, there was an overall neglect of the human factor; the focus was upon materials, markets, and production (Nelson, 1975).

The entrepreneur or factory owner typically delegated management responsibility to the foreman or first-line supervisor. The foreman was responsible for successfully running the entire factory (Taylor, 1911). While the foreman's responsibilities varied depending on the type of manufacturing process, he usually exercised despotic control over the factory workers (Jacoby, 1985). In addition, the foreman was responsible for all human resource management functions: the hiring, placement, training, wage setting, grievance handling, and dismissing of workers (Nelson, 1975; Patten, 1968).

The control of workers by the foreman usually took the form of the drive system of management that was characterized by the use of force and fear (Slichter, 1919). Baron, Jennings, and Dobbin (1988, 498) described this form of early factory management as a reliance on "simple control within an industry," and an absence of rationalized employment relations (i.e., personnel practices) and production techniques (e.g., those introduced later under scientific management). This form of management characterized much of American industry up through the end of the nineteenth century, and was later viewed as unplanned, haphazard, and inefficient (Thompson, 1914).

**Stage 3: The emergence of the modern corporation and managerial capitalism**

The period following the Civil War and extending to the turn of the century was a period of dramatic industrial growth and organizational restructuring that set the stage for the emergence of modern HRM practice. This period witnessed a fundamental transformation of employment from being primarily agricultural to manufacturing and industry itself from being primarily small-scale, employing craftsmen, to being large-scale, employing semiskilled or unskilled operators and assemblers (Kaufman, 1993). During this time, the modern business enterprise along with managerial capitalism emerged (Chandler, 1990). The period witnessed a growth in the corporate form of organization, organizational size, the development of subdivision and departmentalization of organizational functions, the separation of the operation from the ownership of firms, and the employment of teams of salaried managers (Moore, 1951; Chandler, 1977).

Overall, an unprecedented growth of industry and the "spread of giantism," created a new order in the organization of business enterprise during this period (Scheiber, Vatter, & Faulkner, 1976, 219). The rise of the corporation was one of the revealing signs of the trend toward bigness (Weisberger, 1969; Cochran, 1944). In 1865, the typical American business was owned by an individual entrepreneur, or partnership, and had a simple organizational structure. By 1890, the dominant form of business enterprise, measured in terms of economic power and employment, was the multiunit business enterprise or giant corporation (Chandler, 1990). By 1900, corporations employed nearly 70 percent of all production workers outside of agriculture (Scheiber et al., 1976).

In spite of organizational growth and technological changes during the second half of the nineteenth century, there was not a commensurate improvement in organizational or human resource management. The focus of attention in the factory or shop was primarily given to machine processes and improvements in the size and technology of production, and not to the improvement of shop or factory management techniques (Nelson, 1980) or human methods of work.
THE HISTORY AND EVOLUTION OF HRM

(Viteles, 1932). Most organizations continued to cling to the traditional laissez-faire form of factory management and to view labor as a commodity.

As a result, the decentralized form of factory management and the traditional delegation of responsibilities persisted. The foreman remained in control as the factory employment and production manager and “impersonality and harshness” in labor policies continued (Lescoeur, 1935, 296). This continued of traditional factory management practices contributed to low productivity and wages, extremely high rates of turnover, inefficient operations, and an increase in labor and management conflict (Slichter, 1919; Lescoeur, 1935).

Concurrent with the growth and change in industry, the last several decades of the nineteenth century were characterized by economic turmoil, social upheaval, chronic unemployment, and labor unrest. First, the period experienced repeated financial panics and economic depressions. Second, the tremendous advances in industrial mechanization resulted in a dilution of workers’ skills, a growth in demand for unskilled labor, and a fall in wages (Berstein, 1960). Third, there was an overabundance of workers as a result of millions of immigrants entering America from abroad and migration from rural areas to the cities, resulting in a persistent pool of unemployed workers and a continued downward spiral of market price and wages (Kaufman, 1993; Lescoeur, 1935). Fourth, there was an unprecedented wave of strikes and boycotts throughout the nation, many which were spontaneous outbreaks by masses of unorganized and unskilled workers (Berstein, 1960; Perlman & Taft, 1935).

The convergence of these factors led to an increase in labor-management conflict and a dramatic increase in union membership. The organizing and bargaining efforts by the labor movement were met with a persistent adamancy by employers to refuse to recognize or negotiate with unions, and a willingness by the government to side with employers (Fossum, 1979). In spite of this, the development of HRM during the twentieth century would include a primary industrial relations (IR) component which management would use to operate in the collective bargaining framework established by the federal government through legislation.

Stage 4: Scientific management, welfare work, and industrial psychology

Scientific management and welfare work represent two separate and concurrent movements that began in the nineteenth century and, along with contributions from industrial psychology, merged around the time of World War I (WWI) to form the field of HRM (Lescoeur, 1935; Eiibert, 1959). SM and welfare work were both responses by management to worker-related problems in the factory. SM represented an effort to deal with labor and management inefficiencies primarily through the reorganization of production methods and the rationalization of work (Baron et al., 1988; Jacoby, 1985). Welfare work represented efforts to deal with labor problems by improving worker conditions (Boettiger, 1923). Industrial psychology represented the application of psychological principles towards increasing the efficiency and adjustment of the individual worker (Munsterberg, 1913).

Scientific management (SM)

During the last quarter of the nineteenth century, professional mechanical engineers emerged as important providers of technical assistance for machine production (Nadworny, 1955). Out of their ranks came a number of engineers who, under the banner of “efficiency,” introduced dramatic changes that rationalized factory production and industrial management systems. These engineers viewed the traditional factory system with its decentralized and autocratic management and un-systematized methods of work as outdated,
inefficient, and incompatible with the larger more modern plants and machinery (Viteles, 1932; Nelson, 1980). Along with rationalizing production processes and redesigning complex manufacturing flows, they introduced various personnel practices to rationalize employment procedures (Baron et al., 1988). Foremost among these engineers was Frederick W. Taylor, who became the renowned father of scientific management.

Taylor began his formulation of SM while employed as an engineer at Midvale Steel Works in Philadelphia from 1878 to 1890. Taylor (1947) was concerned with worker inefficiency, “soldiering on the job,” and the need for managers to gain the cooperative effort of their employees. He believed that production work needed to be systematically analyzed, studied, and improved by using the same scientific approach engineers use to design machines. With meticulous determination, Taylor began studying the elements of jobs (tasks), eliminating unnecessary motions, and timing the tasks, in an effort to discover the “one best way” and the fastest time a worker could perform a particular task (Gilbreth, 1912, 50). Time and motion study became the heart of SM and represented a way of accurately determining the amount of work a man could do.

Taylor (1947) declared that SM constituted a complete change in the mental attitude of workers and managers, not simply a set of efficiency devices, and he summarized SM as: (1) science, not the rule of thumb, (2) harmony, not discord, (3) cooperation, not individualism, and (4) maximum output, in place of restricted output. Taylor (1911, 21) stated that “what the workmen want from their employers beyond anything else is high wages, and what employers want from their workmen is a low labor cost of manufacture.” He viewed workers and managers as having similar interests and mutually benefiting from increased production, and contended that the application of SM represented a partial solution of the labor problem because it would increase production at lower cost to employers and would result in higher wages for the worker, since each worker would be compensated according to their output (Taylor, 1895; Thompson, 1914).

Time and motion study was the accurate, scientific method with which the natural laws of work could be determined (Nadworny, 1955). Taylor asserted that the exact information generated provided a reliable basis for selecting, training, evaluating, and compensating workers. The increased production, profits, and higher employee wages would result in organizational harmony. According to Taylor, SM produced the highest form of industrial democracy that ever existed since it substituted management based on exact knowledge for guesswork (Hoxie, 1915).

SM represented a new attitude toward management and Taylor’s work contributed greatly to the formalization and specialization of management (Person, 1929). Taylor (1947, 7) argued that management actually “is a true science, resting upon clearly defined laws, rules, and principles as a foundation.” SM introduced a new system for managing industrial enterprises and the foundational “concepts that underlie the actual management of worker and work in American industry” (Drucker, 1977, 228).

As part of SM, Taylor (1911) proposed functional management. Functional management delegated the traditional foreman’s varied management responsibilities, including those related to HRM, to eight separate employees who were specialists at their functions (Gilbreth, 1912). The purpose of functional management was to enable proper management of the employee by the separation of the planning of work from its execution, and the substitution of individual judgment with rules and principles (Thompson, 1914; Person, 1929).

SM contributed to the practice of HRM in the following ways. First, Taylor’s proposal for
functional management called attention to the need for a separate human resource function in organizations. Second, Taylor asserted the importance and demonstrated the feasibility of job analysis as a basis for employee selection, training, job evaluation, job change, and compensation. Third, Taylor demonstrated that work and jobs can be systematically studied, analyzed, redesigned, or improved upon (Drucker, 1977). Fourth, Taylor stressed the importance of proper selection procedures and training methods. Fifth, Taylor advanced the notion of variable pay, rewarding of workers on the basis of their productivity, and the importance of using pay as a management tool. Sixth, Taylor highlighted the need for workers to be won over and led by management.

In spite of its contributions, SM had several deficiencies. Overall, SM had an excessive engineering focus on the job, to the neglect of the worker. It viewed the worker as a machine, who could adapt to the job, and saw no need to incorporate human factors in its system (Hoxie, 1915; Braverman, 1974). In addition, SM considered the worker an “economic man,” who is exclusively motivated to maximize his economic gain, and therefore neglected basic social and psychological drives of employees (Beach, 1965). Further, SM represented a form of industrial autocracy and control by management over the workers. Management did all the planning of work and workers were only given voice to say yes to instructions (Yoder, 1938).

**Welfare work**

Some efforts were made at different times during the nineteenth and early twentieth centuries to improve both the social and working conditions of factory workers. One which became widespread during the emergence of SM was the welfare work movement (Miller & Coghill, 1964). Welfare work, like SM, was an attempt at a more systematic approach to labor problems (Nelson & Campbell, 1972). Characterized as a unilateral endeavor by management, the popularity of welfare work grew from 1900 until WWI, at which time it was abandoned as an independent employment practice and placed under the responsibilities of personnel management (Eilbirt, 1959; Kaufman, 1993).

Welfare work was defined as representing “anything for the comfort and improvement, intellectual or social, of the employees, over and above wages paid, which is not a necessity of the industry nor required by law” (U.S. Bureau, 1919, 8). Welfare work provisions took the form of housing, schools, libraries, medical care, recreational facilities, and work-related improvements. The primary purposes of welfare work included the averting of industrial conflict and unionization, the promotion of good management and worker relations, and efforts to increase worker productivity and reduce turnover (Boettiger, 1923).

Beginning around 1900, some industries hired staff called welfare or social secretaries to administer welfare programs. The welfare secretary functioned as an intermediary between the firm and its employees and represented a rudimentary forerunner of the modern personnel administrator (Eilbirt, 1959). Often welfare secretaries’ responsibilities were divided among various employment-related tasks. Based on a 1916 national field study, the U.S. Bureau of Labor Statistics (1919, 123) noted: “Very often the [welfare] secretary’s sole duties are supervising the various welfare activities; in other cases the employment and welfare departments are merged into one, part of the time of the manager given to each.”

**Industrial psychology**

Along with SM and welfare work, industrial psychology contributed to the field of HRM. Whereas SM focused on the job, industrial psychology focused on the worker and individual differences. The interest of industrial
psychology was to increase human efficiency by focusing on the maximum well-being of the worker and decreasing the physiological and psychological costs of work (Viteles, 1932; Milton, 1970).

Industrial psychology began in 1913 when Hugo Munsterberg published *Psychology and Industrial Efficiency* (Blum, 1949). Munsterberg (1913) argued for the need to establish an applied field of psychology as a counterpart to the pure science form. Munsterberg (1913) called attention to the contributions that psychology as a field of study could provide in the areas of employment testing, selection, training, and worker adjustment, efficiency, and motivation.

Others also recognized the applicability of psychology to industry. Stanley Hall, the first president of the American Psychological Association, saw the need for a journal that would focus on the applications of psychology to industry and started the *Journal of Applied Psychology* in 1917. Lillian Gilbreth, a contemporary psychologist, sought to integrate psychology with scientific management by incorporating individuality in the selection, study, and motivation of employees (Milton, 1970).

The publication of Munsterberg’s book in 1913 served as a stimulus and a model for the development of industrial psychology in the United States and Europe (Viteles, 1932). Shortly after the book was published, World War I (WWI) began. While industrial psychologists had begun to develop tests prior to WWI to measure individual differences to facilitate employee selection and placement, the application of psychology to industrial problems gained acceptance as a result of the “successful use of psychology in the selection and classification of army personnel by almost every nation engaged in the war” (Viteles, 1932, 43).

After the United States became involved in the war, psychological tests were developed and administered to nearly two million American servicemen (Viteles, 1932). The military’s utilization of classification tests demonstrated the usefulness of principles of industrial psychology and resulted in its acceptance, growth, and application by HRM practitioners in organizations during and following the war. Since that time, the most widely used application of industrial psychology by HRM practitioners has continued to be in the area of testing for employment, job placement, promotion, and training (Beach, 1965).

**Stage 5: World War I and the emergence of the HRM profession**

World War I provided conditions that resulted in the widespread recognition by American business of the need for HRM and the emergence of the field as a profession. The war brought attention to the need for “scientific personnel administration” and centralizing, under a personnel director, activities promoting the welfare and efficiency of workers (Viteles, 1932, 23). At the close of the war, the personnel or employment management department had emerged as a primary function, taking its place alongside the financial, production, and sales departments in many large as well as small organizations.

While American involvement lasted only two years, the effect of the war period – between 1915 to 1920 – on HRM was dramatic. First, during this time there was a widespread labor shortage, especially for skilled workers, caused by restrictions on immigration and workers being drawn into the war industries, the military, and government services. Labor turnover, which had been historically high, increased dramatically as a result of the increase in job opportunities for workers (Slichter, 1919). As a result, U.S. industry had to face its chronic and widespread labor shortage problem that had, since the turn of the century, been absorbed by the oversupply of workers. Second, and related, the labor shortage, accompanied by a rapid rise in wages and an increased demand for wartime production,
created a need for employers to more efficiently utilize the workers that they were able to secure (Lescohier, 1935).

Third, the government established the War Industries Board that created centralized employment departments in government-run industries and set up training courses at a number of technical schools and universities to train employment managers (Bloomfield, 1919). The Board also encouraged companies in war-related industries to recognize unions, enter into collective bargaining agreements, and make changes in the employment relationship in order to minimize strikes and production disruptions (Kaufman, 1993).

Businesses responded to the labor shortage, turnover, and labor relations problems by widely embracing PM practices. This was evident in that a substantial number of industrial firms established personnel departments between 1915 and 1920 (Jacoby, 1985). The effect of the war on the emergence of the HRM profession was summarized by The New Republic (1918, 102) as follows:

*It has taken the exigencies of war to bring home to employers the imperative need for expert administration of their labor problems. The new war industries require men—skilled men in excess of the available supply. Today this expertness is being developed by high specialization by setting up a fourth major department in the factory—a personnel or employment management department to supplement the financial, production, and sales departments.*

Firms adopted functional management, which removed the hiring and firing functions from the foreman and placed them in the hands of employment departments (Eilbirt, 1959). In addition to centralizing hiring, there was an integration and expansion of former "unsystematized" HRM activities, such as welfare work, job standardization, and time study, "under the supervision of one executive who came to be known as the 'personnel manager'" (Lescohier, 1935, 325). The converging contributions of SM, welfare work, and industrial psychology to early HRM practice were reflected in an early description of the function of PM: "to direct and coordinate human relations with a view of getting the maximum production with the minimum of effort and friction and with the proper regard for the genuine well being of the worker" (Tead & Metcalf, 1920, 2).

Although the HRM profession was recognized during the war period, it had begun to emerge prior to that time. The date marked as the beginning of the profession is 1911, when the Boston Employment Managers' Association (EMA) began (Bloomfield, 1915). The impetus came from employment managers who wanted to compare experiences and establish standards for practice (Bloomfield, 1925). Following Boston's example, EMAs were formed in other big cities throughout America.

In 1917, the National Association of Employment Managers was formed from a federation of ten city EMAs (Lescohier, 1935). The National Employment Managers' Association's second annual convention in Rochester, New York, in 1918 was attended by 800 personnel executives, received national attention, and was described as "the birth of a new profession" (National Association of Employment Managers, 1919). At the conference held two years later in 1920, approximately 3,000 personnel executives attended, indicating the phenomenal growth of the new field (Jacoby, 1985).

Although the profession was referred to by different names, the early label commonly used was "employment management," as indicated by the first professional association label. The particular focus of the profession was on the employment relation and "on the relationship between employers and workers and the labor problems that grow out of this relationship" (Kaufman, 1993, 11; Eilbirt, 1959). Finally, the Employment Management Association became the Industrial Relations Association of America in 1920, the National Personnel Association in 1922, and was
renamed the American Management Association in 1923 (Kaufman, 1993).

Since its beginning as a profession in the early part of this century, different yet generally equivalent terms have been used to refer to personnel and human resource management. While the initial label was employment management, in the first university textbook on personnel administration the authors wrote that “personnel administration” is used throughout this book synonymously with “employment administration,” “personnel management,” “administration of human relations,” and “administration of industrial relations” (Tead & Medcalf, 1920, 2). Following World War I and continuing up until the past decade, personnel administration or personnel management (PM) were used as the primary labels for the practice of HRM.

Regardless of the labels used, the initial and continuing emphasis of the field has been primarily on the management side of the employment relationship (Kaufman, 1993). The use of different terms to describe the field has been descriptive of varying activities and indicative of the changing scope of the field. The recent and widespread adoption of the term “human resource management” by both academia and business organizations, in place of personnel management, is reflective of an increased realization of the importance of the human element in organizations, and descriptive of the enlarged and increasingly significant role occupied by HRM professionals.

**Stage 6: The human relations movement**

An early focus of the HRM profession was labelled “human relations.” While the beginning of the human relations movement is associated with the work of Harvard researchers Elton Mayo and Fritz Roethlisberger in the 1930s, a practitioner focus on human relations, characterized as “the incorporation of the human factor into SM,” began during the 1920s (Kaufman, 1993, 24). This early human relations effort reflected the symbiotic combination of SM, welfare work, and elements of industrial psychology in the personnel profession. The emphasis was on increasing productivity through discovering the needs of workers, the proper way of “handling” or managing people, and increasing productivity (Bloomfield, 1923). Employment managers in general believed that conflict was not inherent in labor relations, but was an indication of poor management, and could be corrected by proper worker management techniques (Lodge, 1913; Jones, 1919; Lewisohn, 1926).

The human relations movement began as a result of a series of studies conducted at the Hawthorne facility of Western Electric in Chicago between 1924 and 1933. The purpose of the Hawthorne experiments was to ascertain the effects of illumination on workers and their output. The studies resulted in the recognition of the social function of work, the social interaction of workers, and the existence of informal organizational social systems (Roethlisberger & Dickson, 1939).

As a result of the Hawthorne experiments and the work of Mayo and Roethlisberger, the human relations movement began around 1945 and continued until the early 1960s when it was absorbed into the new discipline of organizational behavior (Kaufman, 1993). The movement viewed the worker as the most important element in business and as a complex personality that interacted in a group situation that was hard to understand (Davis, 1957). Workers were henceforth seen as having social needs and the workplace was seen as consisting of not only formal but also informal social groups, governed by group norms and attitudes, that influenced worker behaviors. Under human relations, the manager became responsible for integrating employees into the work situation in a way that would motivate them to work together cooperatively and productively, and for assisting employees to experience economic, psychological, and social satisfaction (Davis, 1957).
An assimilation of the human relations approach by HRM complemented the influences of SM, welfare work, and industrial psychology. SM focused on the requirements of the job and economic rewards as motivational elements, whereas human relations revealed the importance and frequent primacy of non-economic and social rewards as incentives (Grusky & Miller, 1981). In addition, whereas welfare work and industrial psychology provided HRM with the realization that workers have physical and psychological needs, human relations contributed the understanding that workers have social needs. Finally, human relations broadened the vision of HRM beyond the individual and job to include the work group and formal and informal social structures.

**Stage 7: The “golden age” of industrial relations and the personnel management maintenance function, 1935–1970**

While the formal HRM function had been enthusiastically received and established throughout American industries during and after WWI, because of economic conditions during the Great Depression, the function languished in importance for a period of time (Watson, 1977). This setback was temporary. Following the depression there was an increased need for the practice of HRM as a result of a growth in unions, federal legislation that encouraged unionization and collective bargaining, and challenges resulting from the nation’s involvement in World War II. Although prior to the depression the primary attention of HRM had been directed towards PM activities, at this time there was a shift in emphasis towards the IR function of HRM.

**“Golden age” of industrial relations**

During the period from 1945 up to the 1970s, the primary focus of the employment relationship was on IR, and this HRM function rose in prominence. The passage of the Norris–LaGuardia Act (1932), the National Industrial Recovery Act (1933), and the Wagner Act (1935), encouraged unionization. This New Deal legislation was rooted in the belief that there was an unequal and adversarial employment relationship that resulted in the arbitrary treatment of workers and employers’ opposition to workers’ attempts to organize. The Wagner Act defined the New Deal industrial relations system and “declared that the goal of public policy was to encourage the practice of collective bargaining, both to eliminate labor’s inequality of bargaining power and to introduce democratic rights of independent representation and due process into industry” (Kaufman, 1993, 61). The industrial relations policies that resulted from the legislation were a product of the times, were “rooted in the mass production/natural resource economy that made the United States the world’s leading industrial nation,” and were designed to sustain the system and make it more equitable (Marshall, 1992, 31).

The pro-union legislation was followed by World War II, which created an extraordinary demand for labor, resulted in unprecedented union prestige, and fueled a phenomenal growth in union membership. Between 1941 and 1944, union membership grew from 8,614,000 to 12,538,000 (Berstein, 1960) and included two out of three production workers. Following WWII, unions continued to organize workers until, by the late 1950s, union membership reached its peak, at which time almost one-third of the private labor force belonged to unions (Fossum, 1979).

The IR side of HRM experienced its “golden age” between 1948 and 1958 (Kaufman, 1993). This golden age was made possible by the period of stable economic growth and unparalleled prosperity that America enjoyed following World War II and continuing up to 1970. The U.S. economy had emerged from the war with the only intact industrial infrastructure and consequently enjoyed a period of unchallenged economic hegemony during the time that other industrialized economies were rebuilt. The postwar
boom, the dominance of the manufacturing sector, and the moderate competition faced by U.S. firms up until around 1970 were factors that contributed to economic stability and the continued legitimacy of New Deal industrial relations systems. The general focus of HRM was on IR because the primary need of many organizations was to operate in the collective bargaining framework of labor relations and to comply with the New Deal legislative and collective bargaining rules that had been established to govern employment policy (Kochan & Cappelli, 1984).

The personnel management (PM) maintenance function
While many firms had deprecated the personnel department during the depression because of economic necessity, government involvement in the economy during the war (e.g., federal labor allocation and wage controls) created a need for personnel departments in small and medium as well as large companies (Baron, Dobbin, & Jennings, 1986; Jacoby, 1985). According to Jacoby (1985, 260), during the war, “as practical knowledge of personnel management became a more valuable commodity, the emphasis shifted: The question was no longer whether to have a personnel department but how to operate that department.” Therefore, while personnel departments existed, the PM side of HRM during the postwar period up until the 1970s generally operated as a low-profile administrative and maintenance function (Burack & Smith, 1982).

Following WWII, up to the 1970s, the PM side of HRM was reflective of business operations and was generally characterized as a “functional collection of managerial activities and practices directed at people as employees” (Mahoney & Deckop, 1986, 234). Separate management activities that were employee-oriented (e.g., recruiting, staffing, job evaluation) were clustered under PM. Although each activity had a definite function, there was little cohesion between the activities due to the absence of an integrative purpose and objective.

Stage 8: Quality of worklife era
Beginning around the mid-1960s and continuing up through the decade of the 1970s, there was a rise in the view of the importance of human resources and a view of them as assets, not liabilities. However, this period of time, which we refer to as the Quality of Worklife era, distinguished itself as a series of efforts directed at satisfying the interests of both employees and organizations through the formulation and implementation of policies and practices which maximized organization performance and, at the same time, employee well-being. What this meant for the human resource management function was the development of programs in such areas as job design and enrichment, which, along with career planning and development, were intended to improve the psychological quality of worklife for employees, and presumably make them more committed to and satisfied with the organization. Other efforts designed to improve the quality of worklife were various forms of employee involvement or participation.

The efforts of this era were driven not only by a realization that investments in human resources were sound and should show a considerable return, but also by the changing nature of the work force. The famous General Motors Lordstown strike in 1970 demonstrated that when you have a highly educated work force being forced to work on very boring and monotonous jobs, dysfunctional behaviors will result which most certainly will be counterproductive for the organization’s ability to remain effective. The work force in the 1970s not only was becoming more highly educated, but also they reflected considerably different attitudes, beliefs, and values about
the role of work and organizations in their lives. Part of these changing attitudes was reflected in increased interest in having more input and involvement in workplace practices and decisions. We began to see evidence of such programs in many different forms, but one particularly notable focus was on the nature of labor-management cooperation. For example, the ground-breaking work by Irving Bluestone and others at General Motors and the United Auto Workers in 1972 demonstrated ways that management and the union could work together collaboratively to make quality of worklife improvements. While such efforts did not proceed without difficulty, they were nonetheless monumental and of historical significance in the evolution of the field.

In many respects, the Quality of Worklife era was actively promoted and facilitated by a series of legislation passed between the mid-1960s and the mid-1970s. Fair employment practices were significantly advanced by the passage of the Civil Rights Act of 1964, with particular reference to Title VII which made it illegal to discriminate in employment decisions based on race, color, religion, sex, or national origin. The Occupational Safety and Health Act of 1970 promoted more safe and healthy workplaces, and the Employee Retirement Income Security Act of 1974 provided guidelines and regulations concerning pensions and benefits. While other pieces of legislation were passed during this era, these three Acts collectively exercised a substantial influence on both the psychological and physical quality of worklife in organizations. Furthermore, this legislation enhanced the importance and influence of the human resource management function, who were the internal experts on these matters, and thus controlled critical relationships, with federal regulatory agencies (i.e., EEOC, OSHA, ERISA) given the responsibility of monitoring organizational practices.

Stage 9: The emergence of the contemporary HRM function

Since the 1970s, the PM side of the HRM function has experienced an evolution from being a maintenance function, secondary to the IR function, to representing one of critical importance to the effectiveness of the organization. A number of environmental factors, leading to economic and structural upheaval, have resulted in this dramatic shift. Therefore, in spite of the prominence of the IR side of HRM during the initial decades of the postwar period, during that time changes began to occur that eventually resulted in a decline in the IR function and in the emergence and transformation of the PM function.

Environmental changes started to occur towards the end of the 1950s and have continued to the present which have resulted in the transformation of HRM. First, beginning in 1956, private sector unionism started to fall as a percentage of the labor force from 33 percent to around 12 percent in 1992 (Kochan, McKersie, & Cappelli, 1984; McDonald, 1992). Second, since WWII, the shift from manufacturing employment to service sector employment has continued. For instance, between 1948 and 1985, manufacturing experienced a relative decrease in employment of 9 percent while the non-government service sector, which is characteristically nonunionized, experienced an increase of 18 percent (Dulebohn, 1991). Third, since the 1960s, there has been a dramatic expansion of government regulation of the terms and conditions of employment, requirements that business have had to comply with and implement into their human resources activities (Janger, 1977).

Fourth, a number of economic changes have occurred since the late 1970s that have resulted in an erosion of both the economic hegemony and the insulated and prosperous situation that America had enjoyed during the first several decades following WWII.
These changes include a growth in international competition, domestic competition, deregulation, market pressures, technological change, and the globalization of economic activity (Kochan, Katz, & McKersie, 1986). The convergence of these factors has caused the New Deal industrial relations system to become anachronistic, and has required that "companies and countries that wish to be high-income, world-class players" adopt very different HRM policies (Marshall, 1992, 31).

In response to these challenges, companies have had to make changes that have directly affected the HRM function. First, there has been a trend by management to make strategic choices that have represented aggressive union-avoidance policies and have resulted in a decrease in union representation of their workers (Kochan et al., 1984). Second, much more reliance has been placed on the HRM "employee-relations" function and dealing with employees directly as individuals rather than on management-union relations and dealing with employees indirectly and collectively. Third, the HRM function has been called upon to foster a sense of mutuality and trust in the relations between managers and workers, to develop employees as assets with the view of increasing competitiveness, and to assist the organization's compliance with government regulations (Kochan et al., 1986; Walton, 1985; Beer & Spector, 1984).

Fourth, American companies in the late 1970s and early 1980s began to emulate the nonunionized HRM practices of successful U.S. companies such as IBM, as well as Japanese organizations. The successful application of total quality management (TQM) principles by Japanese companies contributed to the recognition that employees represent a vital organizational resource and if managed properly they can be a primary competitive advantage.

Together the changes that began to occur in the late 1950s and have continued up to the present have resulted in the transformation of the HRM function. The changes caused the displacement of the industrial relations system that appeared to function so well from 1935 up to 1970. In addition, the changes created organizational needs that required the HRM personnel function to emerge from being a low-profile and reactive maintenance activity to being a primary and strategic partner in organizations. The HRM transformation that has occurred has been such that today the HRM function is viewed as being essential for survival in today's competitive environment (Marshall, 1992).

The recent evolution of the HRM function is conveyed by the widespread use of the term HRM in place of PM. The connotation of the term HRM is distinct from PM in the following ways. First, whereas PM implies human resources as expenses, HRM indicates an emphasis on human resources as organizational assets (Lewin, 1991). The terminology, HRM, communicates a focus, not only on people as human resources, but also as resources to be managed with other organizational resources (Mahoney & Deckop, 1986). The view of employees as resources to be managed rather than expenses is indicative of the recognition that today an organization's competitive advantage is increasingly dependent on its human, rather than capital, resources (Carnevale, Gainer, & Meltzer, 1990).

Second, PM signifies a group of discrete human resources administrative subfunctions and maintenance activities that are reactive, passive, and secondary to the other significant business functions (Prewitt, 1982). HRM on the other hand indicates a proactive approach, an integration of human resource subfunctions, and an enhancement and expansion of the function, position, and strategic importance of HRM within the organization (Lewin, 1991). The growth in importance of the HRM function is evident in the fact that the top HR executive usually holds the title of vice president and reports to the chief executive officer of the company.
Stage 10: Strategic focus era

In the late 1970s, the field began to witness a considerable change in image, status, and perceived importance of the HR function in organizations. Meyer (1976) referred to HR directors as “the new corporate heroes,” and he cited examples of corporate CEOs who had risen to the top ranks through the HR function. This sudden discovery of HRM as a critical function to organizational effectiveness may appear a bit surprising, yet seems to make sense when we examine other changes going on in the internal and external environments of organizations at the time. In this section, we discuss the emergence of the Strategic Focus era, which has extended from the late 1970s to the present, and thus largely concerns itself with the decade of the 1980s.

While organizations for quite some time have been concerned about business strategy, the Strategic Focus era was really initiated in the late 1970s when the principal accreditation body for business schools, the American Assembly of Collegiate Schools of Business (AACSB), mandated the teaching of business policy/strategy as a capstone or integrative course in business school curricula. This event also promoted the academic study of business strategy, and suggested the importance of integrating business strategy with other areas. One of the areas that was seen as critical to merge with business strategy was human resource management, which stimulated the emergence of a new area referred to as strategic human resource management in the early 1980s. This new area deals with the integration of HRM with both strategy formulation and implementation, and it is discussed in greater detail in a later section on the academic side of human resource management.

Strategic HRM generally has referred to a long-term view of HR policy, and a simultaneous integration horizontally among the various HR functions, and a vertical integration with corporate strategic planning. Thus this integration has brought the HR function into closer contact with the top executives of the firm, and has helped to craft a role for HRM as a strategic business partner who is absolutely critical to the organization’s ability to be effective and deal with key challenges and changes in the work environment.

Several specific issues have contributed to the strategic role of HRM. One is the productivity concern of U.S. organizations that emerged in the early 1980s. This resulted from the loss of ground to foreign competition, the need to operate in a global (not just a domestic) economy, and the increased recognition that a firm’s competitive advantage is tied to managing human resources in a strategic way.

A second issue has been the widespread downsizing, restructuring, and redesigning of organizations. This has resulted in the old, hierarchical/pyramidal-type structures with tight controls and small spans of control giving way to flatter structures and larger spans of control. Such new structures have necessitated an increased focus on employee self-control, rather than older traditions of external control, along with more team-based work structures.

A third issue has been the need for a sound human resources strategy to effectively manage the highly diverse work force of the future. Projections suggest that the future work force will be more diverse in gender, race, ethnicity, and age, as well as in attitudes, beliefs, and values. Thus, organizations will be dealing with a different type of employee, resulting from the highly committed and solid “organization man” (Whyte, 1959) of the 1950s and 1960s being replaced by his offspring, referred to as the “new individualists” (Leinberger & Tucker, 1991), who have more self-interest than organizational interest in mind, and are not nearly as driven by the old Protestant work ethic.
Overall, the Strategic Focus era has suggested that the integration of business strategy with HRM can be an organization’s competitive advantage, and thus car have bottom-line impact. We have examined the historical roots of the field of HRM, and its evolution over that time. We now turn to an examination of the HRM field today.

Stage 11: The HRM function today

The practice of HRM today is both similar and distinct to that of the past. Similarities include the continued focus of HRM on the entire employment relationship, along with all the decisions, actions, and issues involved in that relationship. In addition, while the particular roles of HRM have changed, similar to its beginning, the field has continued to provide a response to the dramatic and persistent change occurring in organizations and the employment relationship.

While similar to HRM practice of the past, the HRM function today is distinct in its involvement in meeting contemporary needs resulting from changing organizational models. Distinctions of HRM practice today include the following four features (Sisson, 1990; Blyton & Turnbull, 1992). First, HRM is characterized by the emphasis on the integration of traditional PM activities as well as HRM’s involvement in overall organizational planning and change. Second, HRM today is characterized as a partner in organizational change, creator of organizational culture, and facilitator of organizational commitment and the exercise of initiative. Third, HRM is characterized by the decentralization of many of the traditional HRM activities from personnel specialists to senior line management. Fourth, as noted earlier, current HRM practice is characterized by a focus on individual employees rather than on collective management-trade union relations. In general, today’s HRM function has been described as: broad and strategic; involving all managerial personnel; regarding employees as the single most important organizational asset; being proactive in its responsibilities; and having the objective of enhancing organizational performance and meeting employee needs (Poole, 1990, 3).

In addition to the integration of traditional PM activities discussed earlier, HRM has been a partner with other management functions in the effort to respond to today’s environmental challenges through organizational change. Companies in the U.S. have confronted an increasingly competitive and hostile economic environment marked by the recent convergence of economic, technological, government/legal, and international factors. Turbulence resulting from these factors has created situations which many organizations have had to struggle with to survive (Ferris, Schellenberg, & Zammuto, 1984). In an effort to cope, a majority of large U.S. firms have had to adopt and employ strategies that directly affect and involve HRM practice. These strategies have included the downsizing, restructuring, or rightsizing of organizations (Cascio, 1993), as well as adopting new employment relationships such as the utilization of contingent employees (Abraham, 1988). The effectiveness and success of these strategies has been dependent on direct HRM involvement at all levels of organizational activity and planning.

Not only have HR professionals been at the center of organizational restructuring but they also have had to facilitate organizational effectiveness in the emergent, leaner organization. The HRM function has become increasingly responsible to cultivate the requisite culture that is conducive and supportive of required behaviors. HR professionals no longer can simply be technicians proficient in the IR and PM functions of the past. Rather, they need to be architects and leaders in the development of competitive organizational social systems (Block, 1993).

The HRM function today is not only characterized as a more integrated and vital function, but holistic as well. HR practitioners
of today cannot afford to only be skilled in what were once performed as independent and unrelated PM activities. Instead, they must see the forest from the trees. They must be able to build effective HRM systems in which activities such as recruitment, selection, training and development, performance evaluation, and compensation work together synergistically with a strategic focus.

Some of the specific HR responsibilities of today that relate to increasing organizational effectiveness are as follows. First, there has been a need to increase the competency and adaptability of the work force. Creating and maintaining a competitive work force and capable management team has posed new and significant challenges for HR professionals, requiring advanced skills in recruitment and selection. In addition, this has increased the necessity for effective and often intensive training and development programs. Further, new pay policies have to be developed and implemented in order to motivate employees, raise productivity, do more with less, and increase organizational performance (Schuster & Zingheim, 1992).

Second, the identification of needs and the cultivation of the requisite managerial skills also represent new challenges that the HRM function is being called on to fulfill. In addition to a competent and adaptable work force, organizational effectiveness is dependent on a new type of managerial behavior. For instance, whereas managers were once required to be independent, analytical, and decisive, the new manager needs to also have effective leadership and relational skills. The current emphasis is on collaboration, teamwork, and empowerment policies that foster employee input, all of which depend on HRM facilitation.

The new organizational structures have necessitated changes in the HR routine. Empowered managers and staff are expected to have more involvement and autonomy in traditional personnel management activities such as recruitment, selection, employee guidance and discipline, performance evaluation, even compensation. This has necessitated the decentralization of many of the traditional HRM activities from personnel specialists to senior line management. As a result, today’s effective HR professional is becoming less of a “doer” and assuming more of a role that is characterized as a teacher, consultant, researcher, and systems designer. The rationale for role change is that since a number of personnel activities can be handled by plants or departments, the HR function should concentrate on utilizing the special expertise it has in the people area and in the realm of creating culture (Block, 1993).

While we have described internal functions of HRM, it is important to recognize that the HRM function of today has a direct and primary influence on the organization’s external environment. With the current emphasis on customerization and service, and the fact that the policies and culture that HR professionals develop directly affect the employees, how employees are treated by the organization will impact their treatment of the organization’s customers. As noted by Block (1993, 151), “Human resource practices do not impact the culture of an institution, they are the culture. Human resources along with financial practices are the primary messengers for communicating the kind of relationship an institution wishes to have with its customers.”

HISTORY AND EVOLUTION OF THE SCIENCE OF HRM

Academic side of human resource management

The academic side of HRM started out as basically an atheoretical, problem-driven field, with very close ties to the industrial community. The emergence of HRM as an academic field began in response to HRM practitioner needs. The first HRM professionals believed that they were responsible for the most
important business function, and for finding solutions to critical HRM problems (e.g., turnover) (Bloomfield, 1923).

After being organized in 1911, the Boston Employment Managers’ Association (EMA) recognized the need for employment managers to obtain special training (Bloomfield, 1919). Other EMAs also identified training as a primary need, and as a result, Dartmouth College started the first employment management course in 1915 (Person, 1916). During WWI, approximately a dozen other schools, including Harvard and Columbia University, began employment management courses to train employment managers, initiated by the War Industries Board (Bloomfield, 1919). These associations resulted in a number of prominent academicians, such as Harlow Person, the Director of Dartmouth’s Amos Tuck School of Administration and Finance, identifying with the HRM movement (Bloomfield, 1923).

As noted, the profession of HRM began around WWI and represented the merger of SM and welfare work along with contributions from industrial and organizational psychology and later from human relations. This integration of different sources of knowledge resulted in the emerging science of HRM being characterized as multidisciplinary. As noted by Kaufman (1993, 12), the field was “not thought to qualify as an academic discipline since the study of the employment relationship, and the labor problems therein, was based largely on knowledge and theories from existing disciplines” rather than on a unique knowledge-based and theoretical framework.

Similar to Taylor, when he began studying production work, the majority of the early researchers and writers on HRM worked as industrial managers. The subjects they studied and wrote about were real problems that they confronted at their particular places of employment. The close relationship that existed between the science and practice of HRM contributed to the growth of the field and its ability to generate practical solutions to employment-related problems facing organizations (cf. Bloomfield, 1919; 1923).

During the 1920s, the number of academicians writing on HRM topics increased as schools established business and employment management programs. An examination of the HRM books and articles from that period reveals the fact that while a number of the authors were academicians, the majority still worked as employment managers (cf. Bloomfield, 1923; Berg, 1932). Similarly, many of the teachers of personnel courses in the 1920s came from the ranks of management in industry (Kaufman, 1993).

The close association between the practice and academic discipline of HRM continued until approximately 1935. At that time, the diminished importance of PM in relation to IR resulted in a shift between 1935 and 1960 in management attention from PM dealing with individual workers to industrial relations issues such as collective bargaining. PM became characterized as a maintenance, administrative, or perfunctory function, and this shift in the importance of the practice of PM was accompanied by a decreased emphasis on personnel research and the importance of PM instruction. PM courses continued to be taught at colleges and universities but they were ancillary to other business functions such as accounting, finance, and line management. This depreciation of the PM side of HRM is indicated by the fact that in 1975 it was reported that fewer than 150 of the Harvard Business School graduates were employed in personnel jobs (Foulkes, 1975).

The focus on human relations between the late 1940s through the late 1950s did contribute to the science of PM. According to Kaufman (1993), the study of human relations represented a theoretical and research focus on individual and group behavior in the work setting while personnel management, per se, had a vocational orientation and focused on specific practices related to the personnel management maintenance functions. Later in the early 1960s the academic
study of human relations was absorbed into the field of organizational behavior which has made significant contributions to contemporary HRM theory and practice (Kaufman, 1993).

Similar to its beginning, the PM side of the science of HRM did not flourish as a distinct discipline between 1935 and 1960. Rather, other disciplines expanded during the postwar period from which HRM drew knowledge and theories as it began to grow in importance in the 1960s. Primary among these disciplines were social psychology, industrial psychology, human relations, and organizational behavior. The denigration of the practice of PM during this time and the lack of development as a separate discipline contributed to the erosion of close ties that originally characterized the relationship between the science and practice of PM.

During the 1960s, the academic side of PM began to undergo a transformation as the result of the development and application of theories from organizational behavior and industrial and organizational psychology to traditional personnel topics such as recruitment, selection, compensation, performance evaluation, and training (Kaufman, 1993). A catalyst to this transformation was the concurrent shift in many companies from an emphasis on IR and the emergence of PM from being a passive and reactive maintenance function, and the view of employees as personnel expenses, to the emphasis on HRM and towards approaching employees as human resources to be proactively and effectively managed (Prewitt, 1982). This change in nomenclature and perspective began first during the 1960s in organizations and did not spread to academe until a decade later (Kaufman, 1993, 121).

The current status of the science of human resource management

The recent emergence and transformation of the HRM function has been accompanied by an increased emphasis on research in the science-building approach (Kaufman, 1993). As noted, similar to its beginning, the science and practice of HRM have looked to a number of other disciplines for theory and information. Despite these contributions, the increase in HRM research, and the importance of the HRM function, the science and practice of HRM remain largely separated.

The science of HRM has historically tended to be fragmented as a field of study (Mahoney & Deckop, 1986). Until recently, the primary focus of HRM researchers has been on separate HRM activities, resulting from the vocational and maintenance focus of PM. In addition, the evolution of the field has resulted in more activities being added to the practice of HRM. Therefore, researchers' continued concentration on HRM activities has been needed and has advanced HRM practice by providing knowledge and introducing systematic methods to primary HRM functions such as employee recruitment, selection, placement, appraisal, compensation, and training (Anthony & Nicholson, 1977).

The recognition of the emerging importance and widening scope of HRM in practice has also resulted in the development of new academic perspectives of HRM. Primary has been the strategic human resource management (SHRM) perspective (Butler, Ferris, & Napier, 1991). SHRM represents an effort to link HRM activities to a firm's business strategy (Lengnick-Hall & Lengnick-Hall, 1988; Wright & Snell, 1991). The perspective is representative of the assumptions that HRM activities are organizational in scope (Schuler, 1990), HRM issues need to be considered in the formulation as well as the implementation of organizational strategy (Dyer, 1985), and HRM practice should play an integral role and impact the organization's performance and overall effectiveness (Ferris, Russ, Albanese, & Martocchio, 1990). Finally, SHRM represents a contingent approach to organizations since, "different [organizational] strategies require different behaviors and,
therefore, different human resource management practices to elicit and reinforce those behaviors” (Snell, 1992, 292).

In addition to the general SHRM approach, there have been recent efforts to integrate HRM activities by placing HRM in a broader context and a higher level of analysis. First, not only has the SHRM perspective been used to relate the overall HRM function to business strategy, but also to highlight the strategic aspects of particular HR activities (Milikovich, 1988; Sonnenfeld & Peiperl, 1988), and of HRM in particular contexts (Ferris, Schellenberg, & Zammuto, 1984; Smith & Ferris, 1986; Snell, 1992; Snell & Dean, 1992). Second, other perspectives on HRM have been recently introduced including the political perspective (Ferris & Judge, 1991), the economic/utility perspective (Jones & Wright, 1992), and the international perspective (Kochan, Batt, & Dyer, 1992; Dowling & Schuler, 1990). These perspectives provide a more holistic view of HRM activities and are suggestive of the broadening nature of the field.

*Continuing lack of an integrative HRM theory*

In spite of these recent efforts, the academic side has continued to be characterized by an absence of an integrative theory or conceptual system of HRM (Mahoney & Deckop, 1986). The failure of HRM researchers to develop a general theory of HRM is not a recent phenomena, but has been a persistent and enduring characteristic since the atheoretical beginnings of the field. Heneman (1969) pointed out the persistent lack of a general theory in the field of HRM. He also noted that while other disciplines have studied facets of employment, the unique attribute of HRM is that its central focus is “employment, in all its aspects (micro and macro, individual and group)” (Heneman, 1969, 4). Based on the nature of HRM, Heneman (1969) stressed the importance of a general theory for the field’s existence, development, and usefulness.

Although the IR function of HRM made efforts to develop what have been considered general theories of industrial relations (e.g., Dunlop, 1958), the results have been judged as inadequate (Adams, 1991). Primary deficiencies of Dunlop’s (1958) system, pointed out by scholars, include a failure to generate testable hypotheses, an ignorance of behavioral aspects of the employment relationship, and a portrayal of the system as static rather than dynamic (Meltz, 1991).

The historically atheoretical character of HRM, along with several other factors, has contributed to the continued lack of an integrative theory for HRM. An additional factor, previously noted, is that there has been a continued and predominant focus by HRM researchers on separate functions or activities. In addition, the primary approach to HRM research has continued to be micro-oriented, focused on the individual level of analysis, rather than macro-oriented, focused on the organizational level of analysis. Further, while the adoption and reliance on appropriate theories from other disciplines has contributed to HRM research, this practice has not encouraged the development of an integrative theory of HRM (Wallace, 1983).

*Changes in HRM academic training*

As noted earlier, the field of HRM has developed in response to situations. The declining emphasis on IR and growth in importance of HRM has been reflected by a shift from IR to HRM as an academic area of study. According to Beer and Spector (1984, 263), the field of HRM has been characterized by “programmatic responses to the needs and problems of whichever group(s) have the greatest influence and power.” The decline in unionization, the increase in government
regulation, market pressures, and the transformed role of HRM in organizations have been met by programmatic changes in academic programs, made in order to prepare students for today’s HRM function.

During the 1980s, many programs in industrial relations, which had been begun following WWII, and business schools began to add HRM topics to their curricula as areas of research and teaching. The national shrinkage of private sector unionization, the growth in employment opportunities in HRM, and an increase in corporate sponsorship of HRM programs led to an increased emphasis on HRM and a de-emphasis on IR-related topics in universities and colleges. For instance, whereas during the 1960s and 1970s the majority of students attended graduate programs in labor and industrial relations programs in order to prepare for IR-related careers, since the 1980s the majority of students in these programs have been preparing for HRM careers. Changes made in these programs have included a de-emphasis on industrial and labor relations topics and labor economics, and an increased emphasis on human resources functions and psychology-oriented instruction (cf. Kochan & Cappelli, 1984). In addition, efforts have been made to shift from providing training in traditional personnel functions as separate activities to relating them, in a more holistic manner, to organizational strategy and the complex changing environment (cf. Sears, 1984).

CONCLUSION

In this chapter we have traced the history and evolution of HRM. From our discussion, several salient features that have characterized HRM are evident. We now summarize some of these prominent aspects of HRM and discuss their future implications. First, because the focus of HRM has been on the entire employee relationship, HRM has represented a response to environmental and organizational changes, beginning with the Industrial Revolution, that have radically affected aspects of the employment relationship. The field of HRM has not only developed out of changes that have occurred, but has also represented one of the primary vehicles by which organizations have dealt with these changes. The factory system, the emergence of the modern corporation, and managerial capitalism were factors that necessitated new ways of managing the employment relationship. Similarly, recent factors including global competition, the need to improve productivity, government regulation, the decline of unionization in the private sector, technological changes, and the service-oriented economy have affected the employment relationship and have required new responses from HRM.

Second, it was noted that the field of HRM was formed from the merger of scientific management, welfare work, and industrial psychology around the time of WWI. This symbiotic merger of disparate approaches to worker management has continued and is representative of the character of HRM. HRM has continued to evolve, drawing its theories and knowledge from various disciplines. As such, from its beginning to the present, HRM has been a multidisciplinary field that has represented a “cross-roads” where practitioners and scholars from various disciplines meet to exchange views on various aspects of the employment relationship (Adams, 1983, 511).

Third, HRM initially emerged as a profession and a science as a result of the work of practitioners and therefore was pragmatic in nature. Challenges confronting organizations from the effects of WWI created the need for HR professionals, academic training, and research into employment problems. Consequently, the work of HRM practitioners and academicians had common objectives, and the science and practice of HRM were
characterized by cooperation. Changes that occurred following 1935, including the relegation of PM to a maintenance function and the emergence of the IR side of HRM, resulted in a separation of the practice and science of HRM.

Fourth, recent challenges have resulted in both a change in the view of employees as well as the transformation of HRM to being a strategic partner in organizational performance. Today, employees are viewed as organizational assets that need to be strategically and effectively managed. Similar to the beginning of the field, HRM is increasingly being viewed as a vital and proactive organizational function. A difference, though, is that HRM’s prominence is greater and its present role as a partner in the management of the firm is broader than that of the past.

The transformation and emergence of the HR function indicates the need for vehicles to bring the practice and science of HRM together. The original, close association between the science and practice of HRM enabled the field to provide solutions to problems facing organizations. Today’s challenges (e.g., the changing nature of organizations through restructuring, downsizing, etc.) are greater than ever and are resulting in changes in the roles that the HR function has to fulfill. The fruitful results from the cooperation that originally existed between the science and practice of HRM suggests the appropriateness for a return to a close partnership. Perhaps the vehicles such as business–university research partnerships, discussed in Chapter 1, will contribute to this and will provide solutions to problems that will continue to confront the field.

REFERENCES


The History and Evolution of HRM


