Human resource management (HRM), the management of work and people towards desired ends, is a fundamental activity in any organization in which human beings are employed. It is not something whose existence needs to be elaborately justified: HRM is an inevitable consequence of starting and growing an organization. While there are a myriad of variations in the ideologies, styles, and managerial resources engaged, HRM happens in some form or other. It is one thing to question the relative performance of particular models of HRM in particular contexts or their contribution to enhanced organizational performance relative to other organizational investments, such as new production technologies, advertising campaigns, and property acquisitions. These are important lines of analysis. It is quite another thing, however, to question the necessity of the HRM process itself, as if organizations could somehow survive or grow without making a reasonable attempt at organizing work and managing people (Boxall and Steeneveld 1999). To wish HRM away is to wish away all but the very smallest of firms.

With such an important remit, there need to be regular reviews of the state of formal knowledge in the field of HRM. Edited from the vantage point of the middle of the first decade of the twenty-first century, this Handbook reveals a management discipline which
is no longer arriviste. Debates that exercised us in the 1980s and 1990s, concerned with the advent of the HRM terminology, with how it might be different from its predecessor, personnel management, or with how it might threaten trade unions and industrial relations, have given way to ‘more substantive issues: the impact of HRM on organizational performance and employees’ experience of work’ (Legge 2005: 221). These earlier debates retain a salient role in our understanding of the subject, but the literature is no longer preoccupied with them.

In the last ten years, the connections between HRM and the study of strategic management have deepened and links with organizational theory/behavior have grown. The literature on HRM outside the Anglo-American world has burst over the levee, reminding us constantly of the different socio-political contexts in which HRM is embedded. A process of maturing has been taking place which we affirm in this Handbook. Looking outwards, the discipline is more aware of different environments, and is the better for it. Looking inwards, it is more concerned with interactions, with cause–effect chains, with how management initiatives enlist employee support, or fail to do so, and is the better for it. There are major challenges for theory and methodology but we wish to cement these trajectories: they mean that HRM is poised to assume a greater role in the theory of organizational effectiveness. In this introductory chapter, we outline what we see as the scope of the subject, identify key characteristics of what we call ‘analytical HRM’, underline the significance of the discipline, and provide a guide to the chapters that follow.

1.1 The Scope of HRM: Three Major Subfields

Judging by the literature, HRM refuses to be any one thing. Not only does the field cover a vast array of styles but there are three major subdomains of knowledge, each bursting its banks.

Micro HRM (‘MHRM’) covers the subfunctions of HR policy and practice (Mahoney and Deckop 1986). These can be further grouped into two main categories. The largest group of subfunctions is concerned with managing individuals and small groups, including such areas as recruitment, selection, induction, training and development, performance management, and remuneration. These topics each cover a vast array of practices, underpinned by an extensive body of research, much of it informed by personnel or industrial-organizational psychology and, to some extent, by personnel and institutional economics. A smaller group of subfunctions concerned with work organization and employee voice systems (including management–union relations) is less driven by psychological concepts and is more associated with industrial sociology and industrial relations.

The depth of research in the HR subfunctions has grown enormously over the years and some areas, such as Human Resource Development, can legitimately claim to be fields in their own right. Regular reviews testify to this depth while pointing out the way in which MHRM research often remains ‘silo based’ and, thus, poorly connected to the wider set of HR practices and to broader workplace problems (e.g. Wright and Boswell 2002). On the other hand, each of these subfunctional domains represents recurring organizational
processes which carry major costs and simultaneously offer opportunities to improve performance. The conventionally designed first course in HRM in any country is a survey course which attempts to summarize MHRM research across the major subfunctional domains and, in the better-designed programs, relate it to local laws, customs, organizations, and markets. A vast range of textbooks published by the largest international publishers serve this need.

Strategic HRM (‘SHRM’) is concerned with systemic questions and issues of serious consequence—with how the pieces just described might fit together, with how they might connect to the broader context and to other organizational activities, and with the ends they might serve. SHRM focuses on the overall HR strategies adopted by business units and companies and tries to measure their impacts on performance (e.g. Dyer 1984; Delery and Doty 1996). Much of the ‘big push’ in the recognition of the field of HRM came from landmark works in the 1980s which sought to take a strategic perspective, arguing that general managers, and not simply HR specialists, should be deeply concerned with HRM and alert to its competitive possibilities (e.g. Beer et al. 1984). The area now has major texts reviewing a research domain in which HRM bridges out to theory and research in strategic management as well as industrial relations and organizational behavior (e.g. Boxall and Purcell 2003; Paauwe 2004). The links with strategic management are well known, particularly through the two fields’ mutual interest in the resource-based view of the firm and in processes of strategic decision-making (e.g. Boxall 1996; Wright et al. 2003). The links with industrial relations are also very important, currently shown in the shared interest in the notion of ‘high-performance work systems,’ while the connections with organizational behavior are evidenced in mutual interest in such notions as psychological contracting and social exchange (e.g. Wright and Boswell 2002; Purcell et al. 2003).

A third major domain is International HRM (‘IHRM’). Less engaged with the theoretical bridges that are important in strategic HRM, IHRM concerns itself with HRM in companies operating across national boundaries (e.g. Brewster and Harris 1999; Evans et al. 2002; Dowling and Welch 2004). This connects strongly to issues of importance in the fields of international business, including the internationalization process. International HRM is an amalgam of the micro and the macro with a strong tradition of work on how HR subfunctions, such as selection and remuneration, might be adapted to international assignments. When, however, the field examines the ways in which the overall HR strategies of organizations might grapple with the different socio-political contexts of different countries (as, for example, in several chapters of Harzing and Van Ruysseveldt’s (2004) edited collection), it takes on more strategic features.

We have, then, three major subdomains, summarized here under the acronyms MHRM, SHRM, and IHRM. Researchers have pursued questions in all sorts of specialized niches in these three domains, some publishing for decades on one minor aspect of a field (the age-old academic strategy of looking for new angles in a small corner of a perpendicular field). For much of the time, the three subdomains seem to have been developing in parallel. While this has added to the volume of publication, over-specialization brings problems...
and much can be done to enhance learning about theory and/or methodology from one domain to another (Wright and Boswell 2002). We think there are some important characteristics of an analytical approach to HRM that are critical for the intellectual life of all three domains.

1.2 Analytical HRM: Three Key Characteristics

We use the notion of ‘analytical HRM’ to emphasize that the fundamental mission of the academic management discipline of HRM is not to propagate perceptions of ‘best practice’ in ‘excellent companies’ but, first of all, to identify and explain what happens in practice. Analytical HRM privileges explanation over prescription. The primary task of analytical HRM is to build theory and gather empirical data in order to account for the way management actually behaves in organizing work and managing people across different jobs, workplaces, companies, industries, and societies.

We are not simply making an academic point here. Education founded on an analytical conception of HRM should help practitioners to understand relevant theory and develop analytical skills which can be applied in their specific situation and that do not leave them flat-footed when they move to a new environment. The weaknesses of a de-contextualized propagation of ‘best practices’ were classically exposed by Legge (1978) in her critique of the personnel management literature. She pointed out how personnel management textbooks commonly failed to recognize (p. 5) differences in the goals of managers and workers and the way in which favorite prescriptions worked well in some contexts but not in others. This argument has been reinforced by similar critiques in the HRM literature (e.g. Marchington and Grugulis 2000), by major reviews of the relationships between contextual variables and HR practices (e.g. Jackson and Schuler 1995), and by studies of the embeddedness of HRM systems (e.g. Gooderham et al. 1999). The growth of the field of IHRM has strongly emphasized the way in which models of HRM vary across cultures and reflect the impact of different employment laws and societal institutions (e.g. Brewster 1999; Paauwe and Boselie 2003). To quote the technical language of methodology, ‘moderators’ are important in our understanding of models of HRM: some things work well under some conditions and not under others. The challenge, of course, is very much to move on from a general genuflection to the importance of context to models which incorporate the most vital contingencies (Purcell 1999).

A key implication, however, is that analytical HRM is deeply sceptical about claims of universal applicability for particular HR practices or clusters of practices, such as the lists offered in the works of the US writer Jeffery Pfeffer (e.g. 1994, 1998). This does not rule out the search for general principles in the management of work and people—far from it—but it does caution strongly against prescription at the level of specific HR practices (Becker and Gerhart 1996; Youndt et al. 1996; Boxall and Purcell 2003).

A deep respect for context also implies that we make an attempt to understand the goals of HRM within the wider context of the goals and politics of firms. Like personnel management before it, MHRM has a tendency to begin with surveys or case studies of
favourite practices, such as 360-degree appraisal, which never raise the question of what
the overarching HRM principles might be or how they might situate within management’s
general goals for the organization. This stems, to some extent, from the influence of psy­
chology in MHRM, which does not offer a theory of business. One of the benefits of the
strategic and international schools of HRM, both more concerned with the economic and
social motives of firms, is that they have opened an analysis of strategic HR goals and
their relationship to wider organizational goals (e.g. Evans 1986; Wright and Snell 1998;
Boxall and Purcell 2003). The key message from this work is that the general motives of
HRM are multiple, subject to paradox or ‘strategic tension,’ and negotiated through polit­
ical and not simply ‘rational’ processes. This helps us to guard against two erroneous ex­
tremes. One extreme is held by those who think that HRM only exists to serve the profit­
oriented ‘bottom line,’ and who continually seek to justify HR policies in these terms. This
misunderstands the plurality of organizational effectiveness. While HRM does need to
support commercial outcomes (often called the ‘business case’), it also exists to serve or­
ganizational needs for social legitimacy (e.g. Lees 1997; Gooderham et al. 1999). The oth­
ner extreme is held by those who seem to imagine that managers are waiting with bated
breath to implement their most recent conception of ‘best practice.’ This pole seriously
underestimates the way (p. 6) businesses are affected by the economics of production in
their chosen sector, creating a natural scepticism among managers about claims that
some new technique will inevitably improve their business.

Building on the way in which analytical HRM seeks to locate HRM in its wider contexts, a
key trend in analysis is the construction of models of how HRM might work, models that
lay out the cause–effect chains, intervening variables, or ‘mediators’ involved. There are
two drivers of this trend in analysis. One stems from the debate in SHRM concerning the
need to show how human resources contribute to business viability and might lay a basis
for sustained competitive advantage. To make the resource-based view of the firm truly
useful, we need to show how HRM helps create valuable capabilities and helps erect bar­
riers to imitation (Mueller 1996; Boxall and Purcell 2003; Wright et al. 2003). A second
key driver stems from the realization that to work well, HR policies must be effectively
enacted by line managers and must positively enhance employee attitudes and encourage
productive behaviors (e.g. Guest 1999, 2002; Wright and Boswell 2002; Purcell 1999; Pur­
cell et al. 2003). This means that notions such as organizational culture and constructs as­
associated with psychological contracting and social exchange, which have been important
in the companion discipline of organizational behavior (OB), are now being integrated in­
to models of the process of HRM. We have embarked on a long-overdue process of investi­
gating the way in which HR policies and practices affect job satisfaction, trust-in-manage­
ment, attitudinal commitment, discretionary job behavior, behavioral commitment, and
beyond.

This extremely important analytical development has quite a job to do. On the one hand,
it means that HRM must become better integrated with theory in organizational behavior
and with other accounts of how HRM works, such as those in industrial relations (IR) and
labor economics. It also means that HRM research must become more sophisticated
methodologically. Not only are there are issues around the way HRM researchers mea-
sure the presence (or otherwise) of HR practices and systems (Gerhart et al. 2000), but recent reviews of the quality of the evidence for the performance impacts of particular models of HRM find it seriously wanting (Wall and Wood 2005; Wright et al. 2005). These reviews show that a huge proportion of the studies measuring both HR practices of some kind and firm performance have found associations all right—but between the former and past performance, thus leaving us poorly placed to assert that causality runs from the selected HR practices to performance. This stems from the preponderance of cross-sectional studies, which actually pick up historical financial data while asking about current HR practices, and the existence of very few genuinely longitudinal studies.

This brings us to our final point about analytical HRM: it is concerned with assessing outcomes. This is obvious in terms of the way in which SHRM has generated a slew of studies on the HRM-performance link; however, in the light of what we have just said about the mediating role of employee attitudes and behavior, it is not simply about outcomes sought by shareholders or by their imperfect agents, managers. HRM research is taking on board the question of mutuality (e.g. Guest 1999, 2002; Peel and Boxall 2005); it is examining the extent to which employer and worker outcomes are mutually satisfying and, thus, more sustainable in our societies over the long run. It is, therefore, becoming less true to say that HRM is dominated by fascination with management initiatives, as was very much true of the literature of the 1980s. HRM is moving on, as Legge (2005) argues. It is becoming more interactional, a process that will inevitably challenge other disciplines offering a narrative about how employees experience work and which will better equip HRM research to speak to the public policy debate.

In our view, then, analytical HRM has three important characteristics. First, it is concerned with the ‘what’ and ‘why’ of HRM, with understanding what management tries to do with work and people in different contexts and with explaining why. Second, it is interested in the ‘how’ of HRM, in the chain of processes that make models of HRM work well (or poorly), thus building much stronger links to companion disciplines such as strategic management and organizational behavior. Third, it is interested in questions of ‘for whom and how well,’ with assessing the outcomes of HRM, taking account of both employee and managerial interests, and laying a basis for theories of wider social consequence.

1.3 On the Offensive: The Significance of HRM

The emphasis we place on understanding HRM as the management of work and people in organizations (MWP—an acronym we quite like) and the analytical approach we take to this means that the boundaries between HRM, industrial/employment relations, organizational behavior/theory, economics, sociology, psychology, and labor law (and more) are, at the least, porous. As a management discipline, HRM draws insights, models, and theories from cognate disciplines and applies them to real world settings. It is characteristic of such disciplines that they beg, steal, and borrow from more basic disciplines to build up a credible body of theory, and make no apology for it.
The conception of HRM that we advance here is not a narrow subject area. The narrowness of perceiving HRM as solely what HR departments do (where they exist) or of perceiving HRM as only about one style of people management are enemies of the subject’s relevance and intellectual vigor. So, too, are the excesses of academic specialization. The differentiation of management theory has gone too far, aided and abetted by the ‘chapterization’ of management theory that occurs in such organizations as the US Academy of Management, and the shortening of academic vision that can occur through processes such as the UK’s research assessment exercise. We live in a time when the perverse aspects of these institutional academic practices need to be challenged and the ‘scholarship of integration’ (Boyer 1997) needs to be fostered. An integration across the ‘people disciplines’ taught in business schools—HRM, organizational behavior, and industrial/employment relations—is particularly important, as is a reaching out to operations management, a subject presently preoccupied with technical programming and barely aware of the issues associated with managing work and people that actually fall into the lap of operations managers. The same could be said for marketing. In the service-profit chain (Heskett et al. 1997), where the employee–customer interface is central, understanding the worker dimension is poorly developed. HRM has much to offer here.

Our aim, then, is to foster a more integrated conception of HRM with much better connections to the way production is organized in firms and the way workers experience the whole management process and culture of the organization. We see HRM as the management discipline best placed to assert the importance of work and employment systems in company performance and the role of such systems, embedded as they are in sectoral and societal resources and institutional regimes, to national economic performance and well-being. In taking this view, we oppose the way writers in general or strategic management continue to downplay the importance of work organization and people management (Boxall and Purcell 2003). To be sure, resource-based theory has reawakened the human side of strategy and, on a practical level, support for the importance of HRM has come from Kaplan and Norton’s (1996, 2001) ‘balanced scorecard,’ which starts from the premiss that it is executed strategy that counts in firm performance. HRM is central to developing the skills and attitudes which drive good execution. This in itself is enormously important but, more than this, the contribution of HRM is dynamic: it either helps to foster the kind of culture in which clever strategies are conceived and reworked over time or, if handled badly, it hinders the dynamic capability of the firm. In our assessment, more work is needed to reframe general or strategic management so that it assigns appropriate value to work and employment systems and the organizational and sectoral-societal contexts which nurture or neglect them.

1.4 The Handbook of Human Resource Management: Design and Contributions

We designed the Oxford Handbook of Human Resource Management to place emphasis on the analytical approach we have just outlined. In the first part, contributors lay
down their theoretical foundations and review major conceptual frameworks. This begins with Bruce Kaufman's review of the history of HRM (Chapter 2), tracing key intellectual and professional developments over the last 100 years. US developments naturally play a central role in the chapter but Kaufman also draws in research on Britain, Germany, France, Japan, and other parts of the world. In Chapter 3, Peter Boxall asks the question: what are employers seeking through engaging in HRM and how do their goals for HRM relate to their broader business goals? The chapter emphasizes the ways in which employers try to adapt effectively to their specific economic and socio-political context, arguing that the critical goals of HRM are plural and inevitably imply the management of strategic tensions.

This then leads to chapters which cover the relationship between HRM and three major academic disciplines: economics, strategic management, and organization theory. Damian Grimshaw and Jill Rubery examine the connections with economics in Chapter 4. Finding the mainstream premisses underpinning ‘personnel economics’ wanting in terms of their understanding of workplace behavior, they examine more fruitful influences stemming from heterodox schools of economics. This leads them to argue that the comparative study of employment institutions is vital in locating firm-oriented analysis in HRM within the ‘interlocking web’ of national institutions. In Chapter 5, Mathew Allen and Patrick Wright investigate the important links that have developed between HRM and strategic management theory. This includes reviewing the application to HRM of the resource-based view (RBV) of the firm and notions of fitting HRM to context. They highlight key unanswered questions and call for an expanded understanding of the role of strategic HRM. In Chapter 6, Tony Watson explains the need to ground HRM theory in a theory of organization and considers four strands of organization theory of particular relevance: the functionalist/systems and contingency strand, the Weberian strand, the Marxian strand, and the post-structuralist and discursive strand. He shows how these traditions have, to some extent, been applied to analysis in HRM and indicates how they could be more fully applied to enhance our understanding of patterns of HRM in the workplace.

The following two chapters focus on particular theoretical perspectives, drawn from organizational behavior and industrial relations, that assist us to interpret how the processes of HRM affect workers. In Chapter 7, David Guest engages with the OB notion of psychological contracting, which accords a central role to mutuality questions, to how employees perceive and respond to employer promises. Reviewing research on worker well-being, he argues that greater use of high-commitment HR practices, involving greater making and keeping of promises by the employer, enhances the psychological contract and brings benefits to both parties. This positive interpretation is juxtaposed with Chapter 8 in which Paul Thompson and Bill Harley contrast what they perceive as the fundamental premisses of HRM with the premisses of labor process theory (LPT), an area of IR theory which offers an analysis of the dynamics of employer–employee conflict. Starting from assumptions about a ‘structured antagonism’ (Edwards 1990) in the capitalist employment relation, LPT generates a different set of conclusions about the extent to which current workplace trends in employee control, work organization, and skill demands have enhanced mutuality. In Chapter 7, the glass of worker well-being is at least half-full, while
in Chapter 8 it is clearly half-empty. In juxtaposing these chapters, we invite readers to decide which account they find more compelling. Finally in the first section, Jaap Paauwe and Paul Boselie use institutional theory to explain in Chapter 9 how HRM is embedded, and evolves, in different social contexts, producing, for example, very different patterns in ‘Rhineland’ countries such as the Netherlands and Germany from those found in the Anglo-American world. They emphasize the need for firms to find a ‘strategic balance’ between economic and justice/legitimacy objectives and, like Rubery and Grimshaw, emphasize the value of comparative analysis in building an understanding of the forces that shape HRM. Thus, the first part of the book reviews theory which helps us to understand the management of work and employment but does so in a way that pays due respect to different theoretical and ideological premisses and to the diverse histories and contexts of HRM.

While the first part of the Handbook reflects much that stems from SHRM and IHRM, the second part of the Handbook acknowledges the ongoing importance of MHRM and seeks to properly acknowledge both the individual and collectively oriented dimensions. The core processes and functions of HRM reviewed here start with Chapter 10 on work organization in which Sharon Parker and John Cordery adopt a systems approach to outline the characteristics and outcomes for firms and workers of three archetypal work configurations: mechanistic, motivational, and concertive work systems. Their analysis emphasizes the ways in which relationships among a range of contingent factors affect the adoption of different work systems and their chances of success. In Chapter 11, David Lepak and Scott Snell consider employment subsystems, recognizing the problems in defining a core workforce and subsequent tensions in managing different types of HRM for different segments, whether internally or through outsourcing/offshoring. They note how HRM used to be about managing jobs but, as the knowledge economy grows, it is increasingly about managing people. Here questions of knowledge-sharing become more important, placing yet further tensions on variegated employment subsystems.

In Chapter 12, Mick Marchington reviews employee voice systems, analyzing direct modes of voice and the extent to which voice practices are embedded. On this basis, he builds a model of the major societal, organizational, and workplace factors that either promote or impede employee voice, enabling us to understand why some voice systems are more prevalent in some contexts than in others. In Chapter 13, Ellen Kossek and Shaun Pichler interrogate EEO and the management of diversity. While they note that these concepts are socially constructed, they argue, drawing on US experience and perspectives, that we should subscribe to some ‘best practices’ in this field and that the challenge for employers is to move beyond legal compliance to create more inclusive workplaces. In Chapter 14, Marc Orlitzky takes us into one of the less well-developed areas—recruitment strategy. The research we have on how organizations recruit implies that hiring practices vary based on labor market conditions, on what other firms are doing, and on industry factors such as capital intensity. In contrast to the previous chapter, Orlitzky’s review reveals very little evidence for ‘best practice takeaways’ in the research on recruitment strategy and underlines the need for theoretical and methodological development. The much more heavily tilled field of selection decision-making is reviewed by
Neal Schmitt and Brian Kim in Chapter 15. Beginning with an outline of the variety and validity of selection methods, they devote the bulk of their chapter to some key developments that are adding complexity, controversy, and challenge to the selection process: for example, they review theory and research on how firms might select individuals who perform in a team-based and more dynamic sense, examine the debate around selection practices and minority representation in organizations, and consider how organizations might predict (and minimize) deviance and counterproductivity.

In Chapter 16, Jonathan Winterton covers the enormous terrain of training, development, and competence. He offers a deeply contextualized account of trends in these areas, showing the extent to which national vocational education and training systems vary, and how something like the notion of competence, developed in the USA, is taken up and applied in different ways in countries like Germany, France, and the UK. James Guthrie reviews remuneration in Chapter 17, covering research on pay levels, pay structure, and pay forms and drawing on both economic and psychological approaches. Rather like Marc Orlitzky, he shows the ‘deep-seated disagreement as to what constitutes “best practice” in compensation management.’ Gary Latham, Lorne Sulsky, and Heather MacDonald tackle performance management in Chapter 18. They review theory on the meaning of performance, on the efficacy of appraisal instruments, and on the value of appraiser training. While much of this is about ‘best practice’ questions, they underline the ways in which appraisal practices are affected by the belief systems and cognitive biases of managers and are located in the political context of the firm.

In Part II, then, the authors follow a classical set of dividers in MHRM. Each of the chapters illustrates the enormous depth that can be found in the literature on the subfunctions of HRM. While some authors in this section of the book argue that there are some universally better practices in the subfunction on which they have focused (which tend to be those in which techniques at the individual level have been the subject of a long tradition of psychological studies), the overall tenor of the section underlines the diversity of HR practice in different contexts and our need to understand how it emerges. Rather than focusing on static notions of ‘best practice,’ most authors point to the need for us to understand the principles (p. 12) underpinning why and how HR practices vary across different occupational, company, industry, and societal contexts.

The engagement with context is taken further in Part III, where we offer a different shuffling of the pack suggested by concerns in SHRM and IHRM. The idea is to look at how the subfunctional processes of HRM might be blended in different ways, examining HRM challenges in different economic sectors and in firms operating across national borders. This begins with Chapter 19, in which Sven Kepes and John Delery analyze the important notion of ‘internal fit’ or the question of internal integration in HRM. They outline a comprehensive theoretical framework and examine research on synergistic effects—including ‘powerful connections’ and ‘deadly combinations.’ While pointing to areas where we need more research, they argue that there is, indeed, evidence for the importance of synergies. Choices in SHRM and the internal fit of MHRM are strongly influenced by the firm’s sector and the dominant work processes within it. The next four chapters look at manufac-
turing, the service sector, knowledge workers, and the public sector. Rick Delbridge (Chapter 20) focuses on the way in which HRM in high-cost manufacturing countries has evolved towards ‘lean manufacturing’ and ‘high-performance work systems,’ examining the impacts on worker interests and considering alternatives to the lean model. Much of the early research in HRM was undertaken in manufacturing yet, as Delbridge shows, many controversies remain unresolved. The service sector is now so large and diverse, and such an important part of modern economies, that no one analysis is sufficient. Rosemary Batt examines HRM and the service encounter in Chapter 21, showing how services management calls for careful integration of marketing, operations and human resource functions. She outlines the implications for HRM of different service strategies and, in particular, explores the tensions between operational management, which emphasizes efficiency and cost reduction, and marketing, where satisfying the customer is the dominant consideration. These create conflicting pressures for HRM. Juani Swart focuses on the growing number of workers who trade on their knowledge and work in knowledge-intensive firms. The dilemmas in managing them are explored in Chapter 22. These types of workers, whose work is central to the firm, are likely to have distinctive, and multiple, identities and aspirations, which may not match those desired by their employer. Getting the most effective HRM in place is no easy matter. In Chapter 23, Stephen Bach and Ian Kessler review HRM in the public sector, analyzing the distinctive features of the state as an employer. They consider the way in which the ‘new public management’ of the 1990s, and subsequent developments that incorporate some learning about its strengths and weaknesses, have challenged the nature of HRM, but also show that institutional patterns of behavior are embedded and hard to change. Together, these four chapters show how sectoral and occupational analysis has tremendous value. They show the limitation of taking the individual firm as the unit of analysis and offer much deeper understanding both of context and of different forms of management relevant to particular market characteristics. Future research could usefully be focused much more on sectors or occupations rather than just the atomized organization.

In the last two chapters in the section, the focus is on large, complex firms operating internationally. In Chapter 24, Bill Cooke develops an analytical framework which helps us understand how multinational firms think about the economics of global HR strategy. He reviews evidence that shows that multinational firms typically invest less in countries with lower average education levels and higher average costs and less in countries in which they perceive IR systems as driving up the unit costs of production, either directly or indirectly through greater restrictions on management prerogative. Helen De Cieri looks at how transnational firms are dealing with the reality of cultural diversity in Chapter 25. Her chapter underlines the fact that there are diverse views about the value and management of cultural diversity and highlights the challenges HR managers face in managing pressures for global integration and local adaptation in transnational firms. Together, these two chapters help us to analyze the ways in which the HR activities of multinational firms affect, and are affected by, different economies and societies around the world.
Part IV is concerned with the outcomes of HRM. In Chapter 26, John Purcell and Nick Kinnie review the research on links between HRM and performance. They examine problems associated with methodology, with how we define performance and HRM, and with the theory linking them. They then develop a model that postulates a number of key mediating elements, including line manager and employee responses, which can be used to guide HRM–performance studies, both qualitative and quantitative. The methodological issues are scrutinized in Chapter 27 by Barry Gerhart, drawing heavily on how statistical procedures have been improved in the much more established fields of Psychology and Economics. This chapter is not for the numerically challenged but is essential reading for anyone skeptical about the claims made in some well-cited studies, and wanting to design more rigorous quantitative studies of the relationship between HRM and performance.

The last two chapters are concerned with mutuality of outcomes. We agreed with these authors that they could adopt approaches which are somewhat different from the general chapter brief adopted for the other chapters in the book. In Chapter 28, Stephen Wood and Lilian de Menezes examine the relationships among family-friendly management, EEO, and high-involvement management. Looking to see if an underlying orientation underpins these three forms of management, they report their analysis of British data on the associations among these forms of management and their relationships with performance. In Chapter 29, Tom Kochan applies the criterion of social legitimacy to the work of HR specialists in the USA, arguing that the quest for senior management approval has gone too far, has ignored the fraying American ‘social contract,’ and calling for a major re-evaluation of the values and (p. 14) professional identity that inform specialist HR roles. These last two chapters help to reinforce the point that an analytical approach to HRM can be used to guide critique of the patterns that HRM assumes in particular societies and whether these need reform by the state, by firms, and by professional bodies.

In sum, the Handbook is designed to enable readers to form an overview of the major theoretical perspectives that help to illuminate the broad practice of HRM and to read contextually sensitive reviews of the classical subfunctions of MHRM. But it also offers examinations of the more holistic contexts and dynamic questions about patterns and outcomes that are the stuff of SHRM and IHRM. There are, naturally, omissions but we trust the Handbook offers a comprehensive overview of contemporary HRM and provides important guideposts for its future development in theory, research, and curriculum. Most HRM textbooks are parochial, but rarely recognize this single country, and often single topic, limitation. This is not just a limitation of content and relevance but one of ‘seeing’ and ‘conceptualizing.’ We three editors, from New Zealand, Britain, and the USA, have become increasingly aware of our own mental maps in working with each other, and in particular working with the authors of the chapters. We have often challenged each other, and them, to think beyond traditional boundaries of the topic even where they are subject specialists of high renown. The authors have nearly always responded with enthusiasm, making significant alterations to second or third drafts. We thank them most warmly for that. We hope this collection of original essays reflects this learning process. It means that the chapters are not potted summaries of all we know about a topic in HRM but chal-
lenge what we know, or what we thought we knew, and set signposts for further exploration.

References


Human Resource Management: Scope, Analysis, and Significance


Human Resource Management: Scope, Analysis, and Significance


Peter Boxall

Peter Boxall is Professor of Human Resource Management and Associate Dean for Research in the Business School at the University of Auckland. His research is concerned with the links between HRM and strategic management and with the changing nature of work and employment systems. He is the co-author with John Purcell of Strategy and Human Resource Management (Palgrave Macmillan), co-editor with John Purcell and Patrick Wright of the Oxford Handbook of Human Resource Management (Oxford University Press), and co-editor with Richard Freeman and Peter Haynes of What Workers Say: Employee Voice in the Anglo-American Workplace (Cornell University Press).

John Purcell

John Purcell is Associate Fellow of the Industrial Relations Research Unit at Warwick Business School, University of Warwick. He is Deputy Chairman of the Central Arbitration Committee (CAC) and an Acas arbitrator. His main publications include Human Resource Management in the Multi-divisional Company (Oxford University Press, 1994) and Strategy and Human Resource Management (written with Peter Boxall) (Palgrave, 3rd edition, 2011) and the Oxford Handbook of HRM (Oxford University Press, 2007) edited with Peter Boxall and Patrick Wright. Recent research has been on the effect of people management practices on business performance, the role of front line managers in the delivery of effective people management, contingent workers and temporary work agencies and the impact of the Information and Consultation of Employees Regulations. His book, written with Mark Hall, Consultation at Work: Regulation and Practice was published by Oxford University Press in 2012.

Patrick M. Wright

Patrick M. Wright, Department of Human Resource Studies, Cornell University, Ithaca, NY