

Theoretical foundations of personnel and human resource management - A problem without a solution?

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RESUME

According to the paradigms of critical rationalism's theory of science complex theories of HRM have to explain how human resources can be managed effectively and efficiently when a set of other resources and a certain situation are given. At a first glance such a type of theory seems to miss in scientific literature. HRM thus seems to be a problem of arts and crafts. However, other reasons for this lack could be valid. A search of basic ideas and approaches in HRM up to the fifties reveals in Germany that HRM's fathers have been interested very much in social concepts of roman catholic church formulated in the encyclical "Quadregesimo anno", yet not in theory. The next generation of researchers concentrates on various approaches from OR/MS to psychology as bases of a solution for HRM problems. A look at theories imported from other fields than HRM reveals that these theories are not able to explain effective HRM. This holds true especially for "theory of the firm" and its derivatives as agency theory or transaction cost theory. Finally, a recent critical evaluation of 200 empirical research studies mainly from the Federal Republic, but partly also from the US, UK, and France, reveals a surprising state of the art : Descriptive studies dominate strictly explorative studies, and only a small minority of empirical studies comes to an explanatory level. However, the problems explained and solved are rather small. A critical meta-revision of our findings gives a first explanation for the state of art : The empirical field at least in Germany has changed too fast, financial resources for empirical research have been dropped down, and HRM problems have become more and more complex. Consequently complex and empirically based theories of HRM can not be expected. A medium range solution of the problem supposingly shall be a set of "theory islands" in a wide "sea of arts and crafts".

I. The Idea of the Paper

An accidental look at leading German textbooks on personnel management (PM) and human resource management (HRM), the preparation of the second edition of our own textbook, and a first review of some empirical research projects in PM and HRM have evoked an impression of only little theoretical foundation of the field. Conceptual frameworks, hypotheses, or theories from other fields with the function of a frame of reference seem to be rather usual. Have PM and HRM, therefore, no theoretical fundaments?

To answer this question, we follow a path from the description of formal properties of PM and HRM theories to an analysis of the roots of the field PM and

HRM in Germany after World War II, over an analysis of leading German textbooks on PM and HRM up to a critical review of 220 empirical research projects documented in scientific literature. At the end of all these analyses we can discover some important barriers, which restrict the development of PM and HRM theories of a rather complex and general type.

The underlying research for the steps two and four of our path has been done for an extensive publication that comes out in January next year (Drumm 1993). The research for step three has been part of the review and re-edition of our textbook on PM and HRM (Drumm 1992).

II. The Problem: Why Should PM and HRM Theories Serve as a Basis of Managerial Action?

Solutions to PM and HRM problems can, of course, follow practical concepts, hypotheses, or theories. While practical concepts usually have been developed for the solutions to single problems in a specific form, and therefore cannot be generalized, hypotheses with a more general structure suffer from the fact that they have not been tested. In German this type of hypotheses can be called "Kunstlehre". However, genuine PM and HRM theories must have been tested systematically, not only in explorative case studies, but also in more or less broad field studies. If they are not rejected at the end of their empirical test, then PM and HRM theories are, in their instrumental explicative form, suitable for general and valid solutions to PM and HRM problems. Therefore, the generation of successfully tested empirical PM and HRM theories should be part of all scientific research on PM and HRM. They should be the backbone of teaching, consulting and, last but not least, a constitutive element of all textbooks on PM and HRM.

At a first glance it is, however, easier to import theories from other fields, which seem to be valid or have been tested definitely. A well-known example for such an imported theory is Simon's theory of incentives and contributions in organisations. Yet, at a second glance the use of such imported theories reveals their restrictions: Their explicative power in the solution to PM and HRM problems is weak, they cover only a part of the existing PM and HRM problems, and they do not offer much more than a frame of reference, a device for the ordering of some PM and HRM problems. Thus, their weaknesses outweigh their strengths.

Our outline of the problem's structures comes to the conclusion that the non-use of genuine PM and HRM theories, perhaps hypotheses, and at least imported theories, leads directly to simple and naive casuistry. Such a result is sufficient for practice, but by no means for science, especially the science of PM and HRM. As PM and HRM should have a scientific basis, they must be founded on theories in the sense of tested hypotheses. Hypotheses alone are only then a first sufficient step, if they can at least be expected to withstand their empirical tests. If a systematical empirical test in one or more field studies is impossible for any reason, the weakest test must be done by documenting and publishing systematically the experiences of several enterprises, which work under different conditions.

III. A State of the Art

A. A Historical Sketch of Basic Ideas in PM and HRM

Since we know about the structures of PM and HRM's scientific fundamentals now, we can ask, whether these structures can be discovered among the basic ideas of the field and its development in the FRG after World War II. As no historical sketch of the basic ideas and development of PM and HRM existed until now, we had to do this research first (cf. Drumm 1993). An analysis of basic ideas in the twenties and very early thirties comes to the conclusion that some German researchers

and academic teachers dealt with a few problems, such as remuneration and work conditions, on a descriptive level only. It is only after World War II that we can identify four academic teachers, G. Fischer, K. Hax, W. Hasenack, and A. Marx, who enlarged the scope of problems in managing personnel. Their main benefit is the discovery of social problems as an essential element of PM and HRM. A distinct shape of the field personnel management certainly does not become visible.

However, after an analysis of Fischer's, Hax's, Hasenack's, and Marx's work, another discovery can be made: They were more or less strongly influenced by the encyclicals "rerum novarum" and "quadrogesimo anno" containing the (Roman) Catholic Social Teaching. Thus the roots of personnel management in the FRG have been influenced by the guiding social principles of the Roman Catholic Church and not so much by rational scientific concepts.

After 1965 we can identify a discontinuity in the field's development: With the creation of new chairs for personnel management at most German universities a new generation of academic teachers rushed into the field. They introduced concepts of OR/MS, investment and finance, informatics, psychology or sociology and - following the paradigms of critical rationalism - a new feeling for the development of proper theories with empirical relevance. In the mid- and late seventies members of this new generation of academic teachers began to write the first textbooks on personnel management and, later, human resource management.

B. PM and HRM Textbooks as a Mirror of Theories in Use An analysis of leading German academic textbooks on PM and HRM comes to an amazing result:

- Five textbooks have a conceptual framework for the ordering of PM and HRM problems (v. Eckardstein/Schnellinger 1978; Wächter 1979; Berthel 1979/91; Hentze 1986/91; Oechsler 1985/92),
- Two textbooks are based on general systems theory as a frame of reference (Domsch 1980; Drumm 1989/92)
- One textbook is based on general systems theory and an untested theory (hypothesis) of strategic management as a frame of reference (Scholz 1989/91),
- One textbook is based on imported theories of social conflict (Marr/Stitzel 1979), and
- One textbook has a conceptual framework for PM and HRM supported by OR/MS-models (Kossbiel 1991).

However, none of these textbooks is based on genuine PM and HRM theories.

Their contents concentrate mainly on the description of PM and HRM problems and offer hypotheses as their solution. Influences of genuine PM and HRM theories with instrumental character can only be identified occasionally, and then the scope of the problems is always rather small! However, a look at American, British or French textbooks does not show any better results.

C. Empirical Research on PM and HRM

A possible explanation for the near total lack of PM and HRM theories could be that there is no empirical research on PM and HRM. But this explanation does not hold true. On the contrary, we were able to identify 220 empirical projects, mostly published in the FRG, some of them published in France, the UK and the U.S., which we analyzed and revised critically (cf. Drumm 1993).

A first result of this analysis is that there is a strong dominance of explorative and descriptive studies over explicative studies. A second result is that these studies concentrate on few PM and HRM problems only. A possible explanation of this skew distribution could be that researchers have a different understanding of the

awareness or the pressure of some problems in PM and HRM. Another possible explanation is that in PM and HRM, too, the awareness of problems follows fashions. Fig. 1 shows the distribution of our findings.

Now the conclusion concerning the state of the art no longer comes as a surprise: If explicative empirical studies hardly exist, they cannot influence the way the majority of academic teachers in PM and HRM understands the field. Consequently empirical studies cannot lay visible traces in textbooks on PM and HRM.

However, this conclusion requires an explanation.

| PM/HRM Functions | Description | Exploration | Explication | Total |
|---|-------------|-------------|-------------|-------|
| Vocational Training and Personnel Development | 12 | 23 | 7 | 42 |
| Personnel Planning | 8 | 27 | 3 | 38 |
| Motivation and Management | 8 | 19 | 3 | 30 |
| Informative Bases of PM and HRM | 11 | 7 | 1 | 19 |
| Codetermination | 0 | 14 | 5 | 19 |
| Individual Groups of Personnel | 10 | 8 | 1 | 19 |
| Fundamental Questions | 12 | 2 | 2 | 16 |
| Working Conditions | 5 | 8 | 1 | 14 |
| Remuneration and Social Politics | 4 | 7 | 2 | 13 |
| Individual Types of Enterprises | 4 | 6 | 0 | 10 |
| Total | 74 | 121 | 25 | 220 |

IV. Barriers against an Empirical Theoretical Foundation of PM and HRM

In order to explain the lack of empirical theoretical studies of PM and HRM we have analysed our material from a meta-point of view: Can interdisciplinarity, complexity of research problems, constancy or variability of the empirical field, size and financial basis of research projects, instrumentality of findings, and intersections to other fields of management, as for example finance, marketing, organization theory etc., explain why we found such a high amount of descriptive explorative studies and so few explicative studies? Indeed, an answer can be given:

(1) Although the structure of most PM and HRM problems is interdisciplinary, the research projects have seldom been run by more than one discipline. Consequently these studies can only give a partial description, exploration and explication. They can never become general.

(2) The structure of most PM and HRM problems is rather complex. However, in most cases the scope and structure of the research projects are small. This can be explained by the presumption that the researchers have cut down the problems in order to reduce their complexity.

(3) Comparable cross-section analyses and the few longitudinal-section analyses reveal that the empirical field has changed rapidly between 1970 and 1990. The

changes have been induced by the introduction and extension of new legal restrictions, by changes of the social environment, changes in business, and the appearance or discovery of new PM and HRM problems. Changes came so fast that researchers and their projects could not catch up with them anymore. This explains well why there is such a small number of explicative studies and such a large number of descriptive and, especially, explorative studies.

(4) Detailed data for the size and financial basis of the research projects reviewed are not available. But our impression that both size and financial basis were rather limited became stronger and stronger. This fits in very well with our own experiences concerning requests for funds that were to enable us to finance our own empirical research projects.

(5) The instrumentality of most findings is rather modest. Consequently the benefit of these findings for theorists and practitioners remains modest and, therefore, does not encourage broad empirical research.

(6) Intersections to other fields of management and integrative approaches hardly exist. Consequently PM and HRM research studies see their problems as more or less independent from all other management areas. This cannot cover reality: PM and HRM should never be seen isolated from other management areas!

Altogether, these six findings provide a very good explanation for the lack and poorness of PM and HRM theories.

CONCLUSION

Our conclusion is far from being satisfactory: Until now PM and HRM have only a very weak basis of empirically founded theories. Hypotheses of right or wrong in PM and HRM dominate the field. Up to now we have been able to live comfortably with this situation. However, the barriers against an increase of theories persist, so that the situation of PM and HRM is very unlikely to change. This means that also in the future PM and HRM will be a "sea of hypotheses with a few small islands of theories".

How can we criticize our own conclusions? - By stating that the understanding of the term "theories" differs in the scientific world. We have argued according to paradigms of critical rationalism. Those who deny PM and HRM their relevance, must reject our explanations and, especially, our conclusions. We, however, think that the problem, idea, and findings of this paper are worth being discussed.

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