# SECTION 1

Development of the HRM Field and HRM Education

The two chapters in this section provide an overview of the evolution of the HRM field and HRM education.

In Chapter 1, Scarpello traces the parallel evolution of HRM in business and psychology. The first part of the chapter discusses the evolution of HRM in business organizations, followed by the introduction of HRM in business schools. Next, Scarpello discusses the evolution of HRM in psychology. Three themes are evident throughout the chapter: (1) criticism of HRM practice, (2) criticism of HRM education in business schools, and (3) debate whether HRM is a specialized field of practice or a function of management.

In Chapter 2, Mahoney discusses the historical evolution of HRM from the point of view of one who has lived the experience. He sees the field of HRM as having evolved from industrial relations (IR) which he character-izes as an interdisciplinary field of study, research, and practice, with economics as one of its contributing disciplines. He further notes that "a particularly integrative conceptualization of HRM today was provided in 1984 by Michael Beer and associates and that the framework clearly casts HRM as a function of management" (p. 13). In discussing HRM education, Mahoney presents three models of education and gives suggestions for max-imizing HRM's contribution to organizations.
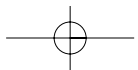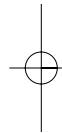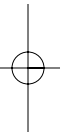
Parallel Approaches to Development of the HRM Field and HRM Education

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Defining the field of human resource management (HRM) is not easy. Over the years the name has changed to reflect the activities conducted by its practitioners (e.g., *personnel* or *employee relations* in nonunion settings; *industrial relations* or *labor relations* in union settings). Most definitions, however, are relatively similar:

> HRM is the management function that deals with the acquisition, development, utilization, maintenance, development, and integration of individuals within the work place for the purpose of enhancing employee contribution to the effectiveness of the organization.

> HRM is a synthesis of perspectives from organizational behavior/ development, labor relations, and personnel administration. As a field of study, it is the study of all management decisions and actions that affect the nature of the relationship between the organization and employees. (Beer, Spector, Lawrence, Mills, & Walton, 1984)

In the 1995 *Handbook of Human Resource Management,* Ferris, Barnum, Rosen, Holleran, and Dulebohn define "human resource management" as the "science and practice that deals with the nature of the employment relationship and all of the decisions, actions, and issues, that relate to that relationship. In practice, it involves the organization's acquisition, development, and utilization of employees, as well as the employees' relationship

to an organization and its performance" (pp. 1–2). There are multiple similar definitions; however, Ferris et al.'s (1995) definition is instructive for two reasons. When they note "this broad definition encompasses industrial relations (traditionally defined as the study of the employment relationship), as well as topics and issues that might conventionally be included under the rubrics of organizational psychology, organizational sociology, and strategic management" (pp. 1–2), they focus attention on the science of HRM. When they note that HRM "involves the organization's acquisition, development, and utilization of employees, as well as the employees' relationship to an organization and its performance," they focus on the practice of HRM.

The distinction between the science and practice of HRM is important. As a science HRM exists in many versions all of which have as their common denominator research on human beings within all types of work organizations at four levels of analysis: individual, group, organization, and society. Thus, multiple disciplines and fields of study claim HRM as their domain. For example, Kaufmann (2000) notes that HRM is "applied economics." Schneider (1999) and Korman, Kraut, and colleagues (1999) claim that it is "applied psychology." Indeed, scholars from diverse disciplines—economics, psychology, sociology, education, political science, law, anthropology, and applied fields such as health care, business, public administration, education, and others—work singly and jointly to deal with various employment issues such as labor-management conflict, excessive turnover, sabotage, social and economic inequality, labor mobility, health and safety of workers, work-family conflicts, pension reform, workforce diversity, and a host of pressing issues relevant to work and workers in contemporary societies. Thus, if we look at research, investigators in almost any discipline or field who conduct research on humans in employment relationships consider themselves HRM scholars. Yet, although HRM research informs HRM practice and HRM education, it is a mistake to assume that HRM researchers are also HRM educators.

The practice of HRM is a functional responsibility of an organization's management, like other functions of management such as finance, operations, and marketing. Indeed, the term "human resource" appears to have been coined by Peter Drucker in his book, *The Practice of Management* (1954). He presented in that volume three broad managerial functions: managing the business, managing other managers, and managing workers and work (p. 263). In his discussion of managing workers and work he noted that the worker is "the human resource" within the organization. Although comparable to other resources, the human differs from other resources in that "the human being . . . has absolute control over whether he works at all" (p. 264). This aspect of the human being has been of particular interest to managers, sociologists, social psychologists, psychologists, and economists focused on ensuring the efficiency and effectiveness of individuals and groups in work organizations. This interest is perhaps

the reason for the multiple and parallel development of HRM practice and HRM education.

Historically, HRM practice and HRM education developed along three parallel paths: business, psychology, and industrial relations. This chapter discusses the evolution of HRM in business and psychology. In Chapter 2, Tom Mahoney further develops the evolution of HRM in business, and in Chapter 3, John Fossum examines the parallel evolution of industrial relations and HRM in industrial relations.

Evolution of HRM in Business

Ling (1965) notes that the first spark of any employment relationship can be gleaned from the apprenticeship systems of the late medieval period (circa 1450). Indeed, present-day benefits programs can be traced to this era. Nevertheless, the forerunner of the personnel function, the welfare secretary, originated in Europe and was introduced into U.S. industry during the 1890s. Although the U.S. never experienced the widespread industrial problems characteristic of much of the 18th and 19th centuries in Europe, similar problems in the U.S. motivated similar solutions. Labor disputes during the post–Civil War period, employer desires to thwart unions, and workers' living conditions and their effects on worker performance increasingly led employers to perceive that establishing welfare programs might benefit their businesses. These programs varied in complexity. For example, around 1800, factory owner Robert Owen taught his workers temperance and cleanliness. He also improved working conditions and refused to employ young children (Davis, 1957, p. 5). Some programs were more elaborate, requiring the development of company towns. Here, workers were typically provided with company housing, company stores, company school and apprentice programs, a savings and loan institution, a life and accident insurance program, a pension fund, a convalescent home, clubhouses, hospitals, dining halls, and a library. As welfare programs grew in scope, some firms hired so-called welfare secretaries to administer them. Eventually, the work evolved into the role and office of the employment manager.

This office later became known as the personnel management office. To a large extent personnel management performed the managerial functions of hiring, firing, disciplining, and rewarding employees and left management to focus on producing and distributing its products. This division of labor, in effect, removed management from the responsibility of managing its workforce.

The welfare secretary's transformation into personnel management led to the enactment of paternalistic human resources management practices. Yet, not all employers embraced paternalism. Some mistreated their

employees. These actions led craftsmen and other best-off workers to join self-protection societies, which later became labor unions. Many employers fought the growth of unions through various means including securing court injunctions against union activities and forcing applicants to sign yellow dog contracts (i.e., promises not to join a union as a condition of employment). With the advent of the assembly line, employers sought other ways of gaining internal efficiency. The second part of this chapter discusses the use of psychologists for this purpose. Another method was to implement ideas and methods proposed by so-called classical management theorists, such as Frederick Taylor, Max Weber, and Henri Fayol.

Industrial engineer Frederick Taylor (1911/1947) proposed a philosophy that became known as Taylorism (later called scientific management) to explain the use of human effort. Taylorism seeks to maximize output with minimum effort through the elimination of waste and inefficiency at the individual operative level. Scientific management focused on rationalizing work and the workplace and on providing workers with monetary incentives to exert maximum effort. During the same period, sociologist Max Weber (the father of bureaucracy) suggested that organizational efficiency could be realized by managing the enterprise through use of legitimate (rational) rules and an authority structure. Weber (1924/1947) believed that an organization based on rational (legitimate) authority would be more efficient because continuity is related to formal structure and positions rather than to a particular person. Finally, French industrialist Henri Fayol (1916/1949) noted that efficiency could be realized by implementing 14 management principles, 10 of which focus directly on the management of the firm's human resources. Later, Fayol's principles became known as "principles of management." Because all three individuals focused on efficiency, following any one of their ideas produced the same result, i.e., the adoption of the functional organizational structure. Until the mid–20th century, organizations believed that the functional organizational form was the best way of organizing because it was the most efficient way. Although many of the principles of "fairness" in managing workers discussed by the classical management theorists apply to this day, their assumption that efficiency and effectiveness are synonyms is now known to be contrary to fact. Chapter 15 discusses organizational structures in greater detail.

The 1935 passage of the National Labor Relations Act (NLRA), which encouraged unionization as a matter of public policy, led to the growth of unions in America and the emergence of an HR function for the unionized workforces. As a general rule, personnel departments continued to perform counseling and administrative activities for the non-unionized workers, and industrial relations (IR) departments managed the collective bargaining agreement. World War II, however, slowed the growth of unions. The war years brought wage freezes and prohibition of strikes. By the end of the war, however, collective bargaining was firmly established in most of the important American industries (Barbash, 1976). The postwar years brought

renewed union determination to recover the wage increases they had forgone. This led to an epidemic of postwar strikes and other labor unrest. The power of the unions and labor unrest prompted a vigorous antiunion movement that resulted in the 1947 passage of the Taft-Hartley Act, commonly referred to as the Labor-Management Relations Act. This act's basic objectives were to equalize the bargaining power between labor and management, protect individual employees against the union and against management, and protect innocent bystanders against negative consequences that could result from an interunion or a union-management conflict. The 1947 Act restricted unions in a way that paralleled the Wagner Act's restrictions on management. The two acts, along with the Landrum-Griffin Act (1959), are collectively called the National Labor Code.

During the mid-1940s to 1950s, unions represented about 47% of the U.S. labor force. Moreover, nearly 95% of all U.S. corporations had at least one unionized unit (Foulkes, 1980). Thus, unions began to pose a major decision-making constraint on U.S. corporations. To manage that constraint, corporations increasingly employed more educated personnel to manage their unionized workforces. To avoid unionization, large non-unionized firms began to function as if they were unionized (Foulkes, 1980). Indeed, through the 1970s the common characteristic of vice presidents of "personnel" of America's largest non-unionized corporations was their experience within the industrial relations and collective bargaining arena (Foulkes, 1980). Corporate leaders viewed such experience as contributing to the maintenance of a union-free environment because the heads of their personnel functions understood employee-related problems and were capable of effectively dealing with them before they exploded into unionization attempts.

In contrast to the practice of industrial relations, the practice of personnel management had its share of critics. Although Drucker (1954) viewed HRM as a management function, he disparaged the personnel management discipline of his day (pp. 273–288). He believed that practitioners (1) assumed people did not want to work, (2) looked on the function as a specialist's job rather than a key part of any manager's job, and (3) tended to "fire fight" and troubleshoot rather than focus on the positives and building harmony within the organization. Nevertheless, Drucker was hopeful. He answered his own question, "is personnel management bankrupt?" with a "no," choosing to see it as temporarily insolvent. Drucker saw the personnel management function as having the necessary expertise, being on the right track, but not yet knowing how to apply that expertise. Rather, the personnel function performed such chores as housekeeping, filing, and fire-fighting, and was destined to take over a cluster of unrelated activities such as accounting, office management, and the handling of administrative arrangements—a sort of staff office (Drucker, 1954, p. 287). Others also levied such criticism. For example, psychologists Dunnette and Bass (1963) noted that "like alchemists, personnel mangers have concentrated on the

wrong problem, trying one technique after the other in a long search for a psychological touchstone to solve all human problems in industry" (p. 115). Moreover, personnel practices exhibited a pattern of "increasing stagnation and lack of significant innovation" (p. 116). Odiorne (1960), a management professor, suggested that too many personnel officers reflected the naïveté and continued practices of the 1920s.

Furthermore, the personnel function was rapidly regarded as entirely ancillary to the major purposes of the firm. By the 1960s, most observers were less than positive about the practice of personnel management.

HRM IN BUSINESS SCHOOLS

Probably the first academic interest in human resource management education occurred in the 1930s, with the development of business schools. In 1931 there was a material increase in the number of books on personnel management offered to business school instructors (Stockton, 1932). Nevertheless, most of those books suffered from lack of management theory and lack of standardized topics. Furthermore, the texts did not relate the company's personnel program to its business, the state of the firm's development, or the production and marketing functions. Only two of the books discussed wage theories, and all but one text ignored the trade union movement (Stockton, 1932). This state of affairs led Stockton to conclude, "personnel management still plays a subordinate role as a field of instruction in collegiate schools of business" (p. 220). He suggested that one reason for this state of affairs could have been the lack of properly trained instructors. Bossard and Dewhurst, in *University Education for Business* (1928–1929), had levied the same criticism. They pointed out that personnel instructors were recruited largely from men with either labor economics or psychology interests. Building on this observation, Stockton (1932) suggested

> It is safe to say that neither group has had the sort of training which would enable it to be thoroughly at home in the entire field. The future should see a type of instructor who is soundly trained in economic principles, labor economics, production, finance, marketing, insurance, statistics, business law, accounting, sociology, and psychology, and who has possibly had some practical experience handling personnel. (p. 223)

In the 1950s, business school curricula attracted another type of criticism. Critics, including executives of the Ford and Carnegie foundations and deans of business schools, held that businesses saw themselves only as economic entities, a view the critics saw as counterproductive for the U.S. economy. In response to these criticisms, the American Assembly of Collegiate

Schools of Business (AACSB) commissioned two studies on the state of business schools (see Gordon & Howell, 1959; Pierson, 1959). Among the studies' many recommendations for improving business schools was that the business firm "be seen not only as an economic activity but as an organization of people" (Haire, 1960, p. 271). That recommendation was of great interest to the developing HRM academic programs in psychology departments and in industrial relations centers.

Taken together, the 1959 reports by Gordon and Howell and Pierson motivated academic units outside business schools to develop personnel management majors at all levels, undergraduate through PhD. Within business schools, those reports prompted courses focused on teaching students about organizational behavior, which led to increased employment of psychologists in business schools.

Development of HRM in Psychology

The word "psychology" originated from the Greek word "psyche," which signifies the soul, the spirit, and the source of all vitality (Denmark, 1980). Today, it is defined as the study of behavior. In this context, behavior includes mental processes as well as observable actions. In the United States, industrial psychology began around 1901. To understand the development of industrial psychology and its relationship to other fields, it is useful to go back to the beginning of psychology in America. Among the early pioneers of industrial psychology was Walter Dill Scott (1903, 1908), who showed how psychology could be applied to advertising and selling (Viteles, 1932). He became the first psychologist to hold the title of professor of applied psychology at the Carnegie Institute of Technology, where the first graduate school of industrial psychology was established in 1915. Although professional interests of the early applied psychologists were quite diverse, they tended to concentrate on problems of personnel selection and placement.

From the field's inception, one of the chief objectives of industrial psychology was the improvement of efficiency in industry (Viteles, 1932, p. 8). This objective wedded the evolution of industrial psychology to the work of Frederick Taylor and the emerging scientific management and employment management (personnel) movements. Like Taylor, Scott attempted to maximize human efficiency by promoting competition, loyalty, concentration, and imitation (Saal & Knight, 1988, p. 13). Another key figure was psychologist Hugo Munstenberg, who, like Scott, was trained in Germany under Wilhelm Wundt, who is considered the father of psychology. Munstenberg came to Harvard at the invitation of William James. Contemporary psychologists note that Munstenberg's *Psychology and Industrial Efficiency* (1913) laid the foundation for research in personnel selection and training.

During the period prior to World War I, the field of industrial psychology had two influences: the work of Frederick Taylor and other industrial engineers (e.g., Lillian and Frank Gilbreth, 1917) and Munstenberg's work. The work of industrial engineers relied heavily on traditional experimental psychology for generalizations about human capabilities and limitations. This motivated Taylor and his colleagues to conduct time and motion studies to discover the best way to design and perform jobs. Munstenberg's work, on the other hand, was based on differential psychology, which is predicated on the uniqueness of individuals; some call him the father of American industrial psychology.

Munsterberg (1913) outlined three basic areas in which psychologists could serve industry:

1. Help find workers whose mental qualities were best suited for the work to be done.

2. Determine the psychological conditions most conducive to high performance.

3. Help produce the influences on human minds that are desired in the interest of business.

Although psychologists were beginning to be well respected by industry, it is widely recognized that the field benefited enormously from armed conflicts. Korman (1971) stated that "it took WWI to start the first great growth of industrial psychology in the country" (pp. 3–4). Dunnette and Borman (1979) claimed that April 6, 1917, the date the United States declared war on Germany, marked the beginning of the modern era of personnel selection. The successful use of psychological tests for military classification and placement during World War I familiarized the public with the efficiency of psychological testing in selection decisions. In 1921, Psychological Corporation was founded. This further brought the industrial psychologist into the view of businesses, as its purpose was to develop and distribute psychological tests and to provide consulting services to businesses and other work organizations in the public sector.

Nevertheless, during the late 1920s many managers became disenchanted with industrial psychology. Korman (1971) attributes this disenchantment to three problems:

1. Many of the selection tests were not very effective.

2. Many managers believed that ability tests totally ignored such factors as motivation and personality, which they deemed important to predicting performance.

3. Managers had seen industrial psychology as a tool to avoid unionization, and union growth was slowed in the affluent 1920s, making industrial psychology less relevant.

The disenchantment with industrial psychology opened the door to social psychology in the world of work. In a paper for the Ford Foundation Program in Economic Development and Administration, Mason Haire (1959) noted that there were three traditions within the field of industrial psychology. The first he called the field of personnel psychology, flowing from the tradition of individual differences; the second he called human engineering, which grew out of experimental psychology (used by Frederick Taylor); and the third he called industrial social psychology.

Haire (1959) noted that whereas the aim of the personnel psychologist is to find the right man for the job, the aim of the human engineer is to "make the job fit the man—any man" (p. 170). The aim of the social psychologist is to understand how the job may be rebuilt to maximize the use of human potential. Haire (1959) stated that unlike the human engineer,

> The social psychologist tries to arrange work situations to provide maximum motivational satisfactions and to structure groups so that their strengths are not barriers but aids to the accomplishment of the organization's productive objectives, and the like. (p. 717)

Haire further noted:

> The philosophy of the social theorist [industrial social psychologist] is a little harder to put concisely than the other two, but he stands quite far apart from them. The historical background is more complex. It includes some sociological traditions and a group of diverse psychological fields. The classic *Management and the Worker* (Roethlisberger & Dickson, 1939) marked the clear emphasis on certain aspects of group structure and social motivation. Moreno (1946) added others and Lewin (1938, 1947, 1951) and the group dynamicists still others. (p. 171)

Although Haire's distinctions among the psychology specializations are too simplistic today, they did focus on one continuing interest of industrial psychologists, that is, selection. In time, however, industrial psychology expanded to include "organizational and social psychology." Saal and Knight (1988) suggested that the single most important event during the 1920s and early 1930s to motivate development of industrial and organizational psychology came from the "Hawthorne studies."

In 1924, a group of Harvard psychologists headed by Elton Mayo (none of whom were industrial psychologists, but following Haire, may be labeled industrial social psychologists) began to study the effects of fatigue, lighting, music, and the like on worker productivity in GE's Hawthorne plant. The literature generally notes that the purpose of these studies was to establish the relationship between different levels of lighting and optimal working efficiency, but other variables were also studied. The effects of the lighting studies surprised everyone. Productivity seemed to increase or

remain constant whether lighting was increased, decreased, or allowed to remain at a constant level. The results of additional studies during the next five years, conducted by Mayo and his colleagues, produced the same results. Together, the studies suggested that attention shown to employees by the experimenters positively affected their productivity. Siegel and Lane (1974) and others have noted that Hawthorne studies opened a new era of psychological research and ushered the human relations movement into industrial organizations.

One of the management pioneers of the human relations movement was Mary Parker Follet (1942). Her theory was that the fundamental problem of any organization is to build and maintain harmonious relationships between managers and workers. Those relationships would enable workers and managers to agree to pursue common goals. The human relations movement led to large-scale implementation of a wide range of training programs within industry, particularly the training of supervisors in human relations skills. As an aside, researchers today recognize that the Hawthorne studies were flawed in design. Franke and Kaul (1978) suggested that over 90% of the improvements in productivity could be explained by such factors as increased supervisory discipline, improved raw materials, and workers' anxiety about being laid off (remember that many of the studies were conducted during the Great Depression). An interview with one of the original participants many years later (see Daft, 2000) revealed that just getting into the experimental group meant a huge increase in pay (p. 51). Thus, money and job security may be the more accurate explanation for the results. Nevertheless, the Hawthorne studies contributed greatly to attention paid to social factors in work behavior.

Additionally, they led to the eventual merging of the human relations and industrial psychology schools of thought and the change in the field's name from industrial psychology to industrial and organizational psychology (Bass & Barrett, 1981). Eventually, some psychologists interested only in the organizational aspect of industrial psychology split from their "industrial" sisters and focused their efforts on organizational psychology (called organizational behavior in business schools).

As in World War I, industrial psychologists were in great demand during and after World War II. The U.S. Army used these psychologists to help develop various tests for separating new recruits into a few basic ability categories, develop simulators for pilot training, and develop assessment methods for applicants to the Office of Strategic Services (OSS). Much of this work was later transferred to industrial applications.

Korman (1971) described the decade following World War II as one of high growth for the field of industrial psychology. In 1945, the division of Industrial Psychology was established within the American Psychological Association. Nevertheless, industrial psychology came under criticism in the late 1950s and early 1960s. Dunnette and Bass (1963) noted that industrial psychology, like its "sister" profession, personnel management, became technique-bound. Furthermore, industrial psychologists applied their pet

techniques and psychological instruments to various problems rather than spending time identifying appropriate solutions to actual business problems. Korman (1971) noted the following:

1. Industrial psychology had forfeited its status as a science by developing tools and techniques specifically designed to help personnel managers do their jobs, thereby becoming a technical assistant to management.

2. The tools and techniques industrial psychologists used were hopelessly outdated and based on assumptions about the workplace that were no longer valid.

3. Industrial psychologists permitted fads and popular ideas of the moment to dominate their activities and recommendations (p. 10).

These criticisms resulted in the field's self-examination, the results of which firmly established the field of industrial and organizational psychology (I/O psychology). In describing the development of organizational psychology, Leavitt (1961) pointed out that after World War II, engineering psychology, clinical psychology, and social psychology joined forces in coming to the aid of the "personnel man," the training director, and the general line manager. Gradually, the industrial psychologists joined with the human relations psychologists who in turn joined with game theorists, operations researchers, and computer people. Gilmer (1966) suggested that organizational psychology is a melding of traditional industrial-differential psychology and the newer concerns of organizational social psychology (p. 4).

In a report to the Ford Foundation, Haire (1959) stated that several themes characterize industrial social psychology. The first is the interest in group processes, flowing from the impact "of Lewin, Moreno, and the Mayo school . . . the second is the interest in the 'other,' through perception and detailed understanding of the world of experience of the subject . . . the third is the presence of a broad humanistic value which seems to run through the field" (pp. 177–178). Indeed, Haire went so far as to state that writings by Argyris (1957), Katz and Kahn (1952), and others "seem to imply . . . that it is possible *and advisable* to reduce the achievement of organizational goals in order to increase the achievement of individual need satisfaction" (p. 178). A fourth theme is the shift in the manner of dealing with motivation, particularly the focus of internal rather than external work rewards. Finally, Haire discussed the adoption of ideas from industrial sociological psychology to deal with problems related to group processes and group structures.

As industrial psychology and industrial social psychology were drawing closer together, the passage of the Civil Rights Act in 1964 again separated those psychologists who were interested in industrial psychology from those who were interested only in organizational psychology. For example, industrial psychologists played the major role in the drafting the Uniform Selection Guidelines (see Equal Employment Opportunity Commission, 1978),

whereas their organizational psychology counterparts were not very interested in this topic. It is clear that the key distinguishing factor between psychologists who are attracted to industrial and organizational psychology, as opposed to those who are attracted only to organizational psychology, is the orientation toward managing behavior rather than just studying it. Because of their applied interests, many I/O psychologists work for governments as consultants to industry or as highly specialized staff within large corporations. Those whose interests are solely in organizational psychology consult in the areas of organizational development and change. I/O psychologists also teach in HRM programs within psychology departments, and some also maintain outside consulting practices. Still others work in business schools as faculty within management departments. Those with more applied interests teach HRM and organizational psychology (which in business schools is called organizational behavior), and those with more conceptual interests limit their teaching to organizational behavior. Although writers today suggest that various disciplines make up organizational behavior, all agree that psychology is primary (e.g., Schneider, 1985). The core of most definitions of organizational behavior would run something like this: "organizational behavior (OB) as a field of study represents the application of behavioral science concepts and methods to the *study* of human behavior in the organizational environment" (Organ, 1978, p. 2). Thus, OB focuses on the understanding of human behavior rather than on managing that behavior at work. Organizational behavior concepts are very important to the development of HRM programs. Murray and Dulebohn elaborate on this topic in Chapter 14. Klein, DeRouin, Salas, and Stagl discuss the current state of HRM Master's programs in psychology departments in Chapter 4.

Discussion and Conclusion

This chapter focused on two parallel sources of HRM development, HRM in business and business schools, and HRM within the field of psychology. Two questions surfaced in this chapter. First, is HRM a specialized field or is it a function of management? Second, if we assume it is a function of management, why don't business schools and managers pay enough attention to HRM?

IS HRM A SPECIALIZED FIELD OR A FUNCTION OF MANAGEMENT?

I believe HRM is both a specialized field and a function of management. As a specialized field, HRM, is practiced at four levels: (1) societal, (2) organizational, (3) group, and (4) individual. My view assumes that

HRM must work to satisfy the interests of stakeholders at all four levels to maintain a stable, satisfactory, and profitable relationship among those stakeholders. This, however, is no different than other functions of management that directly interact with the organization's business environment. For example, marketing must satisfy the interests of consumers as well as those of the organization. Finance must satisfy the interests of financial markets as well as those of the organization. Concern with the results of HRM decision making on individuals and groups within and outside the organization minimizes risks associated with disruptive external and internal events flowing from unmet employee and societal expectations. Thus, effective managerial decision making must take into account the HR constraints that may be imposed on it by its internal and external stakeholders (employees and society). As a function of management, HRM requires specialized knowledge and skill *and* business knowledge and skill, as do all other functions of management (e.g., accounting and marketing). Thus, in my opinion, all functional areas of business are specialized functions and require specialized knowledge and skill, along with more general business knowledge and skill. Early criticism of lack of business knowledge among HR faculty and HR practitioners still holds true to this day. In Chapter 21, Theeke focuses explicitly on this issue.

I also agree with Drucker's (1954) view that HRM is a management function. That is, each manager must be responsible for managing his or her direct reports. In a small organization, the manager must become an HR specialist (see Chapter 7, which describes HR education at the University of Colorado-Boulder). However, in large organizations, the HR function is the center of specialized expertise in the field of human resource management, much the same way as the finance function is the center of specialized expertise in the area of finance, even though individual managers are responsible for managing the financial aspects of their operations. E. Bakke (1958) articulated and elaborated on the dual role of HRM as a specialist and a management function. A sociologist by training and a multidisciplinary industrial relations scholar by practice, Bakke described HRM as an ignored managerial function although it was as important to business success as accounting, production, finance, marketing, and other managerial functions. Consistent with my education in the University of Minnesota Industrial Relations Center, Bakke noted the human resources function subsumes all personnel administration, industrial and labor relations, human relations (organizational behavior), human engineering, executive development, and the like. He further laid out seven points that detail why the HR function goes beyond the work of the personnel or industrial relations manager. Specifically:

1. The HR function is not a *special* function; it must meet the standards for all the other functions of management, which are to understand, to maintain, to develop, to employ or utilize effectively, and to integrate these resources into a working whole.

2. Levels of the HR function are not new gadgets or tools to be afforded when the really important functions are running smoothly or profitably. Rather, the management of HR must be done from the startup of any organization.

3. The objective of the HR function is not personal happiness but productive work and the maximum opportunity for all the company's people to utilize to the fullest possible extent all the skills they have relevant to making that work more productive.

4. The HR function includes not only the welfare and compensation activities associated with personnel and labor relations (union-management relations), but the human resources aspect of every working relationship between people in the company. It should improve the work process, work associations, and work opportunities of employees so as to reduce the need for rewards which compensate for boredom and hardship.

5. The HR function is not solely concerned with employees but with every person at all levels of the organization, including the CEO.

6. The HR function is necessarily performed by every person in the organization who is responsible for supervising others. This includes managers in a unionized environment. In such cases line management carries out basic HR functions within a framework of expectancies, controls, and other activities of the union.

7. The focus of concern for all HR effort must be the simultaneous achievement of the central and essential interests of the company and its people. The interests need not be the same but they must not be incompatible. (Bakke, 1958, p. 200)

IF HRM IS A FUNCTION OF MANAGEMENT, WHY DON'T BUSINESS SCHOOLS AND MANAGERS PAY ENOUGH ATTENTION TO IT?

Although there are a variety of answers to this question, one that I would like the reader to consider is proposed by Bohl, Slocum, Luthans, and Hodgetts in their 1996 article "Ideas That Will Shape the Future of Management Practice" published in *Organizational Dynamics.* These authors note:

The importance of human resources has been given considerable lip service over the years. However, few companies are walking the talk. Real world organizations and their managements continue to give priority to—and do quite well with—the functional and technological sides of the organization. But the human side continues to be downsized in importance as well as head count. (p. 8)

They suggest that the major reasons for this continued imbalance of things over people may have a lot to do with complexity. Although finance, marketing, technological processes, and information systems appear on the surface to be more complicated and challenging, they suggest this is not so. They reach this conclusion by appealing to Kenneth Boulding's classical work on the hierarchy of systems complexity (Boulding, 1956).

> Boulding points out that people and human organizations are one step below the ultimate of systems complexity in the entire universe. In his widely recognized scheme of things, cybernetic systems (today's information systems) are below the cell (the simplest living organism) . . . then, in increasing complexity come plants, animals, humans, and human organizations. The complexity culminates in transcendental systems (deities, time machines, and secrets of the universe). (Bohl et al., 1996, p. 8)

Complexity may also explain the reason why individuals obtaining PhDs in the same fields do not end up with the same scope and depth of expertise. Unfortunately, complexity produces ambiguity, which in turn promotes political behavior. Ambiguity allows entrepreneurial academics to seize the opportunity to establish academic programs and call them HRM or strategic HRM, even though the faculty of those programs acknowledge that they know little about HRM. Ambiguity also allows other academics to claim expertise in HRM simply by stating that they are "HRM" faculty, even when they might have never taught an HRM course or at best taught one course by reading the textbook ahead of their students. It allows academics to establish pseudo-credibility in IR or HRM when they research HR-relevant issues or even when they publish think pieces on HRM. Ambiguity as to the domain and content of HRM has also led many business school administrators to assume their OB and HRM faculty are interchangeable in the classroom.

Today's HRM educators vary widely in their expertise. The best are educated in all functional areas of HRM. Many are also educated in organization theory, design, development, behavior, labor economics, and collective bargaining. Many have MBAs and many have learned the essentials of business and accounting on their own. Many, however, do not understand and are not interested in economic principles, labor economics, collective bargaining, production, finance, marketing insurance, or accounting. Nevertheless, HRM students in business programs complete all required business courses, along with their HRM concentration courses.

Although I can criticize the education of HRM faculty, my experience teaching a variety of HRM and labor relations courses as well as organization theory, design, and development courses in five research universities over a 30-year period is that HRM faculty have broader and more in-depth expertise than other specializations in departments of management. Despite this, HRM is not an equal partner in design of business curricula in many business schools and is not yet a full partner in the management

of organizations. In business schools it is the only function of management that is seldom represented in the core course requirements for all business majors. Lack of representation in business curricula clearly leads to misunderstanding of the field's knowledge base and potential contribution to organizational success. It results in less than optimal human resource management practices in employment settings. These practices can be improved significantly if business schools added a core HRM course requirement for all business majors and required faculty teaching HRM courses to be functionally trained in HRM. Practices can also be significantly improved if corporate executives gained some understanding of HRM education and demanded the same level of functional expertise of their HRM personnel as they do of all other functional specializations.

As the philosopher George Santayana noted, "those who cannot remember the past are condemned to repeat it."

Let's not wait another 76 years or more to read about the same criticism of HRM education and practice as we heard in 1932 and as we hear today.

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