

Development of the Paradigm for Human Resource Management: Significance, Limitations, and Overcoming the Limitations

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Abstract

Summarizing the trends of business administration after the 1980s seems to indicate the challenges to subjects such as “how the organization considers the market” and “how effective science is to management judgment.” Accordingly, in the emerging trend of Human Resource Management (HRM) that replaced Personnel Management (PM), it is required to discuss the relations between “organization and market” and “management and science,” theoretically and technologically. This paper aims to determine the significance of the shift to the HRM paradigm from the historical perspective of management theory, the problems and limitations, and explore clues to the discussion on the possibility of “future business administration” designed to overcome these problems and limitations.

Keywords: *HRM paradigm, Personnel Management (PM), Globalization, Marketism, Labour union*

INTRODUCTION

In the 1980s, the paradigm for “human management”¹⁾ in organizations shifted substantially from “personnel management (PM)” to “human resource management (HRM).” This paper aims to determine the significance of the shift to the HRM paradigm from the historical perspective of management theory, the problems and limitations, and explore clues to the discussion on the possibility of “future business administration” designed to overcome these problems and limitations.²⁾

We first present several major models of the HRM theory proposed in the 1980s and organize their thought styles and characteristic bases, and subsequently we discuss the models’ similarities and differences with the PM paradigm. Further, we confirm the significance of the shift to the HRM

paradigm, and discuss the related problems and limitations involved, while focusing on the two points of “spread of marketism” and “adherence to science (in particular, nomothetism).” Based on the discussion, we foresee how we can overcome the limitations of the HRM paradigm and the possibility of future “human management” theory and business administration with the author’s private opinions.

HRM’S THEORETICAL MODELS

Some researchers object to the paradigm **shift** from PM to HRM, while others suggest that there is little difference between them in the basic system and essence (for example, Legge 1995, Blyton and Turnbull 1998). However, the view insisting on the discontinuity from PM to HRM, and the novelty

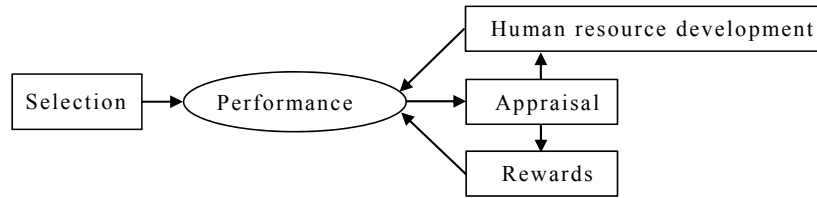


Figure 1: The Fombrun, Tichy and Devanna model of human resource management

Source: Fombrun, Tichy & Devanna (1984) p.41; Bratton & Gold (2003) p.19; Bratton & Gold (2007) p.21.

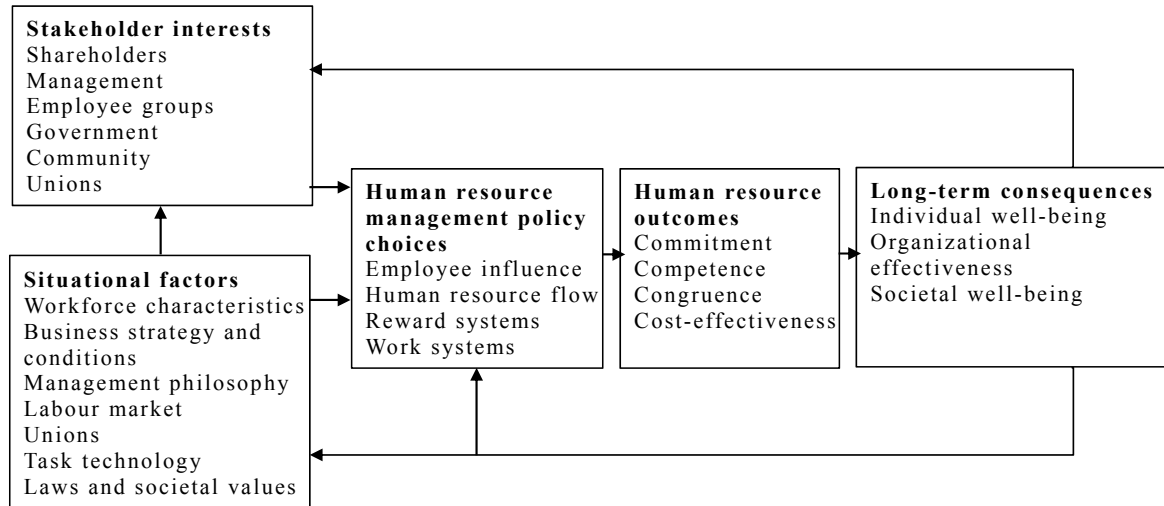


Figure 2: The Harvard model of human resource management

Source: Beer et al. (1984) p.16; Bratton & Gold (2003) p.20; Bratton & Gold (2007) p.22.

and innovativeness of the latter, has been growing widespread since the 2000s. Many proponents today allege that HRM is different from PM, and regard it as a new approach for “human management.” We select several major theoretical models of HRM and discuss their characteristics.³⁾

PM is a function of people management system that coordinates the human needs of an organization, including the designation of work, employee selection, training and development, rewards and union-management relations (Bratton and Gold, 2007). The PM paradigm is a framework of thinking in which people working in an organization are just managed for the organization; the role of workplace trade union representatives and the collective aspects of relations between the workforce and management are important under the paradigm.

The first HRM’s theoretical model is the early HRM model by Fombrun, Tichy, and Devanna

(1984) (Figure 1). This model alleges that HRM activities including selection, appraisal, development, and rewards improve the performance of an organization. It can be characterized by the clear recognition that HRM activities are consistent and related to each other. At the same time, it is significant because it clarified for the first time that activities and measures of HRM should agree clearly with the strategy of the whole company as a part of the system.

The second model is the analytical framework of the Harvard model by Beer et al. (1984) (Figure 2). It is an integrated model in which HRM measures (employee influence, reward systems, and work systems, etc.) affect short-term results (commitment, competence, and cost-effectiveness), which in turn affect the long-term results like organizational effectiveness and societal well-being. Subsequently, these achievement variables affect

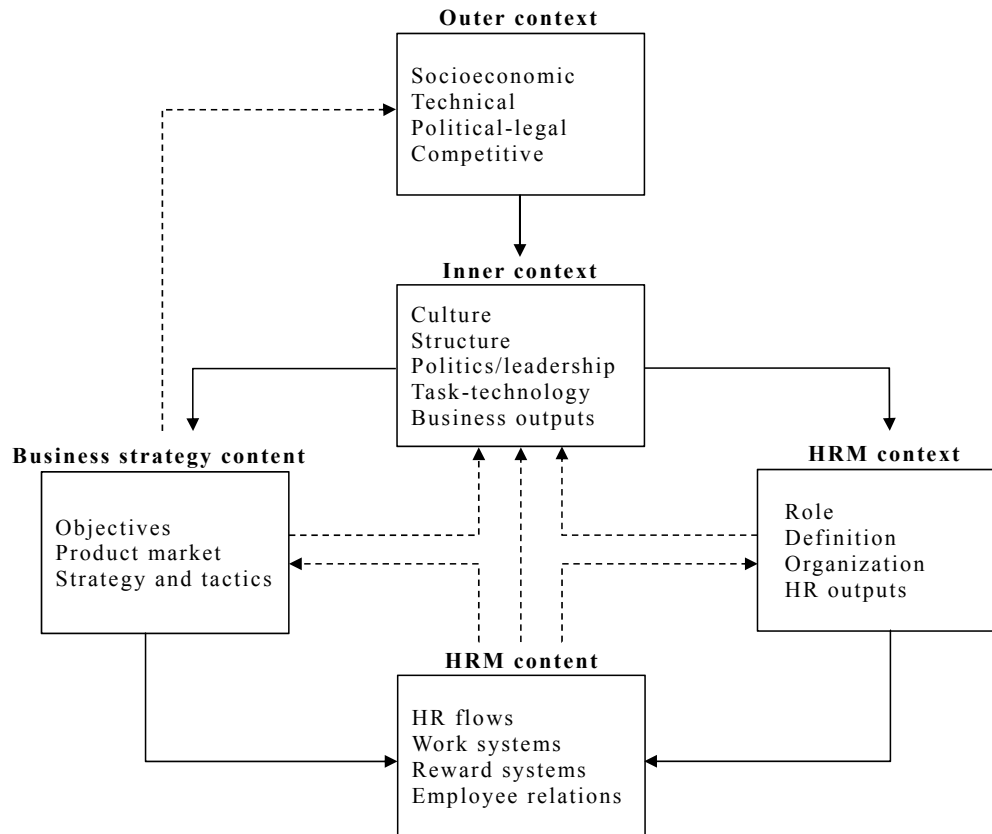


Figure 3: The Warwick model of human resource management

Source: Hendry and Pettigrew (1990) p.26; Bratton & Gold (2003) p.24; Bratton & Gold (2007) p.27.

“stakeholder interests” and “situational factors” that affect business managers’ HRM measures as feedback. This model is superior to the first model described earlier because it introduced stakeholders as a component, considered pluralistic factors, and suggested diverse possibilities instead of unilinear and deterministic organization by showing the feedback loop clearly. Hendry and Pettigrew (1990) later tried to expand this model to develop it with more elaborate environmental factors (outer and inner context) (Figure 3).

The third model is that by Guest (1987) (Tables 1 and 2). This model alleged that implementing a series of integrated HRM measures consistently could enable each employee, and subsequently, the organization to achieve excellent results. Comprising six components including HRM strategy, HRM practices, HRM outcomes, behaviour outcomes, performance outcomes, and financial outcomes,

this model is mainly based on the hypothesis that HRM measures should be designed to be adaptable to strategy, and linked to HRM outcomes at the individual level. Above all, it characteristically focuses on the individual level and places importance on bringing out the ability of each individual.

The fourth model is by Storey (1992) (Table 3), and alleges that HRM, unlike PM, should extend beyond the legal contract between organization and individual. According to the model, it is not the relationship between “business manager and workers” that is important, but that between “company and customers” (company here includes both business manager and workers), and a line manager is expected to exhibit innovative leadership considering the company-wide business plan. In reality, Storey interviewed 25 British companies and found that they mostly introduced HRM-oriented management, although there were variations among

Table 1: Points of difference between personnel management (PM) and human resource management (HRM)

	PM compliance	HRM commitment
Psychological contract	Fair day's work for a fair day's pay	Reciprocal commitment
Locus of control	External	Internal
Employee relations	Pluralist Collective Low trust	Unitarist Individual High trust
Organizing principles	Mechanistic Formal/defined roles Top-down Centralized	Organic Flexible roles Bottom-up Decentralized
Policy goals	Administrative efficiency Standard performance Cost minimization	Adaptive workforce Improving performance Maximum utilization

Source: Guest (1987) p.507; Bratton & Gold (2003) p.21; Bratton & Gold (2007) p.24.

Table 2: The Guest model of human resource management (HRM)

HRM Strategy	HRM practices	HRM outcomes	Behaviour outcomes	Performance outcomes	Financial outcomes
Differentiation (innovation)	Selection	Commitment	Effort/motivation	High: Productivity	Profits
	Training			Quality Innovation	
Focus (quality)	Appraisal	Quality	Cooperation	Low: Absence	Return on investment
	Rewards		Involvement		
Cost (Cost-reduction)	Job design	Flexibility	Organizational citizenship	Labour turnover	
				Conflict	
	Involvement			Customer complaints	
	Status and security				

Source: Guest (1997) p.270; Bratton & Gold (2003) p.22; Bratton & Gold (2007) p.25.

them.

CHARACTERISTICS OF THE HRM PARADIGM

Based on the characteristics of the theoretical HRM models reviewed above, we can indicate that PM and HRM have different basic ideas in the following five points (Kambayashi et al. 2010, Bratton and Gold 2003; 2007).

First, HRM is highly strategy-oriented. Each of the discussed HRM models refers to company strategy and recognizes it as an important component. Comparison of textbooks on PM and HRM

published in the U.S. clarified that no PM textbooks use the term “strategy,” while all HRM textbooks use it (Wright 1994). As the concern about company strategy grows stronger, HRM is naturally concerned more strongly about the relations between results and performance indices and HRM measures, than PM.

As the consequence of the orientation for strategy, the second characteristic is that HRM focuses more on active and independent management of human resources than PM. In contrast to HRM, PM focuses mainly on routine operations like calculating the salary of employees and taking care of insurance and such ex-post “firefighting activities”

Table 3: The Storey model of human resource management

Personnel and industrial relations (IR) and human resource management (HRM):the differences

Dimension	Personnel and IR	HRM
Beliefs and assumptions		
Contract	Careful delineation of written contracts	Aim to go 'beyond contract'
Rules	Importance of devising clear rules/mutuality	'Can do' outlook; impatience with 'rules'
Guide to management action	Procedures/consistency/control	'Business need' /flexibility/commitment
Behaviour referent	Norms/custom and practice	Values/mission
Managerial task vis-à-vis labour	Monitoring	Nurturing
Nature of relations	Pluralist	Unitarist
Conflict	Institutionalised	De-emphasised
Standardisation	High (for example 'parity' as issue)	Low (for example 'parity' not seen as relevant)
Strategic aspects		
Key relations	Labour-management	Business-customer
Initiatives	Piecemeal	Integrated
Corporate plan	Marginal to	Central to
Speed of decision	Slow	Fast
Line management		
Management role	Transactional	Transformational leadership
Key managers	Personnel/IR specialists	General/business/line managers
Prized management skills	Negotiation	Facilitation
Key levers		
Foci of attention for interventions	Personnel procedures	Wide-ranging cultural, structural and personnel strategies
Selection	Separate, marginal task	Integrated, key task
Pay	Job evaluation; multiple fixed grades	Performance-related; few if any grades
Conditions	Separately negotiated	Harmonisation
Labour-management	Collective bargaining contracts	Towards individual contracts
Thrust of relations with stewards	Regularised through facilities and training	Marginalised (with exception of Some bargaining for change models)
Communication	Restricted flow/indirect	Increased flow/direct
Job design	Division of labour	Teamwork
Conflict handling	Reach temporary truces	Manage climate and culture
Training and development	Controlled access to courses	Learning companies

Source: Storey (1992) p.35; Bratton & Gold (2003) p.25; Bratton & Gold (2007) p.28.

as solving conflicts in the workplace and labour disputes.

Third, the HRM paradigm emphasizes the importance of “psychological contract” rather than economic and legal contracts based on physical exchange. It alleges that employees should perform mutual commitment between players, and develop the unity of the organization to increase the labour, exceeding the limitation of legal contracts as much as possible. This is besides working according to the salary standards as specified by the legal employment contract.

Fourth, the HRM paradigm talks about the importance of learning at the workplace. Under the PM paradigm, employees are regarded as a cost factor (labour cost) in the sense that the company pays a certain wage to employees who perform the assigned job. In contrast, HRM considers humans (employees) as a source that gives their company a great competitive advantage if it educates them and makes them grow by investing sufficiently in their education and training, though both PM and HRM incur labour cost. Thus, workers can be evaluated as an asset with potential instead of being considered a cost.

Fifth, the HRM paradigm focuses on individuals and tries to achieve organizational objectives for motivating each member instead of dealing with them as a group. It emphasizes on the harmony between the organization and each worker, instead of pursuing the aspects considered vital under the PM paradigm, such as labour-management relations and disputes of labour unions and workers with the company. The period the labour union movements became inactive corresponds with that when the HRM paradigm grew popular (Blyton and Turnbull 1998).

In summary, while the PM paradigm considers humans as a **cost** because they are hard to control, assuming that they resist management, the HRM paradigm considers all employees as a resource that contributes to management. That is, HRM considers humans (employees) as an important **asset** assuming that they “devote themselves entirely” to management, and sometimes bring enormous wealth to the company if provided with adequate education and training, besides learning opportunities.

SIGNIFICANCE OF THE HRM PARADIGM

Improvement of scientific nature in management

The HRM paradigm is significant to management because it improves the “certainty” of management, and considers humans as a beneficial resource to the management. If clarifying components of the entire organization and solidifying the causal relationship between components are very important factors of science, the shift from the PM to the HRM paradigm should be considered a significant scientific progress in management.

If A is specified as workers and B as the results and profits in the law of causality denoted by “ $A \rightarrow B$,” the traditional PM paradigm has not succeeded enough in clarifying the causal relationship denoted by “ \rightarrow .” Under the PM paradigm, humans are regarded as a resource that has feeling, and competes with management. Management accepts this uncertainty as unavoidable under the PM paradigm (Morishima 2010).

As shown by the theoretical model reviewed in the preceding section, however, HRM places importance particularly on workers’ psychological attitudes, and presupposes that they achieve organizational integration and produce results that exceed the actual legal contract as much as possible. That is, it tries to increase the certainty of the causal relationship denoted by “ \rightarrow ,” and should receive a certain amount of evaluation from the perspective of increasing the certainty of the management process.

Acceleration of globalization

Presenters formulated the hypothesis that the paradigm shift occurred during the increasing globalization in the 1980s, particularly the success of Japanese management style during that time. However, this is rarely discussed in the context of the shift from the PM to the HRM paradigm.

As generally known, since the Japanese management style spread worldwide in the 1980s, organizational characteristics of Japanese companies, such as team spirit and ambiguously defined assignments, besides the so-called three sacred treasures, i.e., company union, lifetime employment, and seniority, that characterize Japanese manage-

ment, started to attract attention. The unavailability of such organizational characteristics and personnel practices in the traditional western company management made Japanese companies increase their competitiveness. The western companies constructed the basic philosophy of the HRM paradigm by learning and introducing such characteristics and practices. That is, personnel measures, such as employees' high commitment, cooperative labour-management relations, long-term and multifunctional development and utilization of human resources, and small group activities for autonomous solutions of problems in the workplace, were recognized as models that American companies should emulate. In reality, Japanese companies are said to have grown dramatically in the period that top management of American companies began to show interest in the HRM paradigm (Iwade 2002, Miles and Snow 1984). In the 1990s, the basic ideas of the SHRM paradigm that American companies learned from Japan were refined further to strengthen the orientation for strategy, and recognized worldwide as an advanced model of managing people (Kambayashi 2009). This analysis is a somewhat rough argumentation to be positioned in historical study, and needs further verification. However, it is worth mentioning that the HRM paradigm was always formed against the background of globalization developing worldwide, and activities of Japanese companies in the world market as one of the players developing globalization.

However, the shift from the PM to the HRM paradigm itself has several latent and important problems. That is, although the present HRM paradigm has certain significance as human management, it also has an inextricably linked limitation. The following section describes the details.

LIMITATIONS OF THE HRM PARADIGM

Response to the spread of marketism

HRM is a new paradigm of "human management" that is the inevitable result of a company's behaviour pursuing "strategic response to the market." Since Frederic W. Taylor established his theory of scientific management, measures for human management that developed, at least in the initial stage,

based on the intra-organizational logic and aspiration for production have made the related rules market-oriented and responsive to the environment outside the organization as precisely and promptly as possible. In other words, this is the HRM paradigm.

In fact, human management theories were often described according to management disciplines, such as employment, education and training, job, evaluation, promotion, wage, welfare, and labour-management relations, in the traditional PM paradigm. In textbooks featuring HRM, however, descriptions of labour-management relations decreased to half, and the pages on the section on themes such as market response and strategy reportedly increased dramatically (Wright 1994). In addition, HRM textbooks often describe how management measures and systems are undergoing the reform of shifting the focus from inside organization and production to outside organization and market. Japanese HRM textbooks generally discuss themes, such as shift of focus from lifetime and long-term employment to short-term (non-regular) employment, traditional on-the-job training along with well-developed off-the job training and career development, which are helpful in acquiring general skills, and increasing the weight of performance evaluation and merit-based wage. In short, management and systems of people inside the organization started to consider the market outside under the HRM paradigm. The basic structure of the market-oriented HRM paradigm is to reconstruct the logic inside an organization by incorporating the existing logic both inside and outside the organization.

First, it is important to understand what "market" in market orientation essentially means. The basic role of the market is to perform the adjustment function to achieve optimal distribution of resources by deciding the price of goods based on the quantitative balance of supply and demand, and materializing trade. What is important here is that the system of market is the decision mechanism based on the balance of supply and demand (outside the organization), and that adjustment is made irrelevant to the psychology of people outside the organization. It is irrational to design a personnel system that specifies the work and behaviour of

people working inside the organization only by the logic of the market outside. Companies tend to design a system based on the market principle easily only under the name of the response to the market, without considering whether or not such a system would be suitable for it. Adjustment by market is not versatile. Assumptions are necessary to make it work, and it sometimes ends in failure. It is also natural that management of people inside the organization creates social inefficiency if it is adjusted only by the market principle. This subject is rarely selected in the discussion on the shift to the HRM paradigm (above all, by HRM advocates) possibly because it is too basic to discuss.

At the same time, the idea of marketism has logical affinity with “globalization.” Globalization implies establishing rules to compete worldwide in the same ground on the same standards in disregard of local characteristics. Marketism develops globalization, which further strengthens the market-driven attitude. Accordingly, market-driven attitude is being instilled into every aspect of social systems other than companies worldwide (for example, medical care, education, research, and public administration). Presenters refer to the attitude of a company that tries to expand its market and increase profit from the worldwide perspective on the basis of the market-driven attitude, as “global marketism” (Kambayashi 2013). Naturally, the human management system should play the role of breakwater to protect people from the pressure of marketism that is rapidly spreading globally, but actual HRM theories and various measures implemented for HRM are not necessarily playing such a role. Simply, it only tries to bring the logic of market from outside into the organization without due consideration. This is the first limitation of the HRM paradigm.

Entrapment of nomothetism

As described above, one of the achievements of the HRM paradigm is to have considered all aspects of human behaviour as data, and increased the certainty in the management process dramatically by treating this data as factors. In the causality “ $A \rightarrow B$,” the HRM paradigm has tried to expand human behaviour denoted by A, and explore the possibility of various causal relations and formulate them as

laws, while increasing the certainty of business performance (results, profits) denoted by B. Thus, the HRM paradigm is significant in that it improves the predictability of business performance, and is one step forward for management science.

However, it should be noted that although nomothetism is an important scientific aspect, the concept itself has entrapment. To formulate the structure as causality, it is necessary to set each factor in the management process as an indicator in some form, quantify, and measure it using specific metrological standards. As the management scale grows bigger and more complicated, it becomes harder to judge which factors are adequate in the process to set indicators, quantify, and select metrological standards. In addition, it is impossible to ensure success even though they can be visualized and measured.

As evidence of the above analysis, each advocate has a greatly different opinion as to what components should be used for the model even in the theoretical models discussed in Section II. Variables for such factors as HRM strategy, measure, and circumstance vary greatly with advocates, and there are several components, indicators, and measurement methods. No model has succeeded in developing a decisive theoretical model despite the efforts to make it the general theory. In addition, the genealogy of SHRM theory derived from HRM theory that is growing widespread in the U.S., places the central point of controversy in the discussion on how to optimize a series of HRM measures (group of factors) for business performance. Efforts to clarify and elaborate the relations between factors and aspiration for nomothetism are growing stronger.

The HRM paradigm tried to advance as a science by expanding the boundary of human behaviour to outside labour more than the PM paradigm, considering it more comprehensively (the meaning is simplified as “resource”), and making it a factor by positioning it as a model. It should, however, be noted that it is liable to fall into the idea to make these components hostile as causality. However, this point is not limited to the HRM paradigm alone, and indicates the limitation imposed on the theorization in modern science. Both management scholars and practitioners alike have to recognize

that “human management” cannot be free from limitation in theorization.

POSSIBILITIES OF OVERCOMING THE HRM PARADIGM

In the preceding section, we discussed the problems and limitations of the HRM paradigm. It is not hard to detail and criticize problems and limitations involved in this paradigm. What is important is how to overcome these limitations and explore a new paradigm for “human management” suitable to modern times. At the same time, it is important to let society and practitioners recognize the importance of these problems, present new principles for guidance, and propose specific and effective solutions from the position of scholars.

It is beyond the scope of this paper to present and discuss solutions for such big issues according to the format followed in the paper. However, presenters believe that it is possible to present the following two breakthroughs for the solution.

The first is to try to construct an HRM model that considers the context of each country and region instead of constructing a general theory of “human management.” Humans have social existence and spend their working life in their country and local society of residence. It is impossible to construct a “human management” theory without a true understanding of the society and cultural context of the region. Further, constructing a general theoretical model uniformly acceptable worldwide is primarily unsuitable for a “human management” theory. Since globalization is developing, it is necessary to clarify the local difference and accumulate studies on international and interregional comparison that reflect the difference. The appropriate model and operation method of market mechanism vary with country and region. In other words, the research method that has the vertical axis showing time and the horizontal axis showing international and interregional comparisons is very important to a “human management” theory. HRM’s theoretical models discussed in Section II of this paper, as a rule, try to construct a general theory of “human management,” but it seems that they hardly consider locality.

The other breakthrough is to keep asking prac-

tioners to recognize the second problem of the above (limitations of nomothetism), and make it a rule to review components of the causality and metrological standards in the place to practice business. Ironically enough, blind faith in the causality denoted by “A→B” tends to make people think that the worse B (results, profits) is, the more seriously A (specific pattern of human behaviour) becomes in short supply, and the stronger is the motivation to strengthen A. If this occurs, people tend to exclude further the existence of other possibilities such as C and “A’.” It is necessary to recognize that many aspects invisible to the present indicators and selected metrological standards exist, if a company tries to win the “market competition” in business practice on a long-term basis. In this way, it is beneficial to recognize that the nomothetism itself has limitations, and propose that the measurement standards should be reviewed regularly.

In sum, future business administration, specifically, “human management” needs to construct a theoretical model that overcomes the limitations of global marketism, and is agreeable to the life and mind of people, that vary with country and region, and it is not advisable to place absolute trust in the causality used there. The current HRM paradigm and theoretical models are not complete in this aspect, and scholars of business administration have several issues to improve the present situation.

POSSIBILITY OF LABOUR UNIONS IN THE CONTEMPORARY SOCIETY

Some PM scholars have developed severe criticisms to HRM theory. Kuroda (2006) and Kuroda, Moriya and Imamura (2009), for instance, criticized that HRM theory did not develop the viewpoint of labour-management relations centred on labour unions, particularly in the following two aspects.

(1) Labour-management relations are hardly discussed

PM scholars in general insisted that one of the characteristics of HRM is that it hardly discussed the issues involved in labour-management relations and simply touched on the characteristics by mentioning that “the decline of labour unions agreed with the rise of HRM” using the theory of Blyton

and Turnbull (1998) in the discussion on placing importance on individuals rather than the group as HRM's fifth characteristic. However, HRM theory characteristically resolved labour-management relations as an individual problem by excluding labour unions and labour-management relations from the HRM theory. Hasegawa (1989) once said that HRM is a strategy to destroy unions without violence. Dealing with this point is supposed to propose a very important issue for discussing the boundary and the possibility of overcoming HRM.

(2) How to make HRM effective to manage white-collar human resources

Another PM strategy different from avoiding labour unions is required to make HRM effective to managing white-collar workers, that is, "constructing a theoretical model agreeable to the human mind." It should be a theory that incorporates new labour-management relations of the period where white-collar and intellectual workers play the central role. If this is true, it is now necessary to develop PM to be agreeable to life differing country-wise and region-wise, to overcome the workplace and labour conditions exhausted by HRM. The new theory should incorporate new labour-management relations in the period where white-collar workers and intellectual workers play the central role. Since this new theory can be constructed only on the assumption of labour-management relations in the new period, it is necessary to release the new theory from the bondage of HRM theory that eliminated the logic of labour-management relations from inside.

The PM scholars' assertion can be summarized as follows. A new direction of "human management" (including white-collar and intelligent workers), which is different from the current HRM, can be commanded by "reviving" labour unions and the perspective of the labour-management relations that enjoyed some presence in the period of PM, and placing them in its centre as a pivot.

The author does not think that labour unions are totally meaningless and insignificant. It should be admitted that labour unions are effective to a certain degree to control riots and violence. The author cannot deny completely the possibility of constructing an HRM paradigm that incorporates

the perspectives of the labour-management theory.

However, today's labour unions cannot meet the same expectations as they did in the past to overcome the exhausted "workplace and labour conditions". At the same time, the author insists candidly and intuitively that it is impossible to predict future-oriented "future business administration" even if labour-management theory based on the existing labour unions is incorporated in "human management" without modification. This is the author's candid analysis.

A further study of prior research related to the theory of labour management may enable the author to understand this discipline better. As a private opinion, however, the author raises the following four points as the conditions and assumptions to allow labour unions to function in society.

- (1) Civil life is generally not well-off economically, and reducing poverty is recognized as an important issue for the society.
- (2) The awareness and value of reducing poverty and improving lifestyle allows a sense of unity and solidarity in the society.
- (3) A clear dualistic class struggle exists between "management (or capital)" and "labour."
- (4) Each individual can get returns by participating in the labour union movement.

The author, however, cannot place great expectations on labour unions because nearly all the above conditions seem to have been destroyed in today's society, especially in the Japanese contemporary society.

Concerning (1), The PM theorists in general introduced evidence such as expanding non-regular employment, decreasing salary, and dramatically increasing directors' bonuses and dividends in Japan. This evidence seems to indicate that the wages received by workers are decreasing gradually, and the difference between directors and wage-workers seems to be growing (Kuroda, 2006). Nonetheless, people generally are not as poor as to starve for clothing, food, and housing in civil life in today's society. It does not seem to the author that poverty spread widely to make people feel uneasy. In fact, each person can improve his life economically, if he makes efforts, acquires skills necessary for the job, and becomes lucky in career-building. The problem is not poverty itself but the widespread

sense of stagnation and despair in each person that he or she is unlucky and unsuccessful despite undertaking adequate efforts.⁴⁾ In other words, it is irrational to say that management alone is responsible for the exhaustion in today's workplace.

Concerning (2), even if workers are poor and escaping from poverty is a social issue, it is irrational to say that they will firmly collaborate and always behave with a sense of unity. With the increasing widespread awareness of individuality, and emphasis on diversity, very few youths today wish to participate in labour union movements. The same is true for white-collar and intellectual workers.⁵⁾

Concerning (3), the contemporary society is not as simple as to analyse using the dualistic rivalry between management (capital) and labour. As shown by the fact that social significance of various kinds of non-profit organizations as components in the society, a wide variety of multifactorial factors other than management and labour are recognized as the driving force to move society. Accordingly, it is hard to discuss "human management" in the new age from the perspective of labour-management relations that regard management and labour as the dichotomy between the two.

Concerning (4), it is worth mentioning that an individual participates in labour union movements because he or she can expect returns more or less through this. In addition, an individual expects that he or she can realize a society brighter than the existing one. In the contemporary society, however, it is extremely hard to have such expectations, unlike in the period where labour movements paved the way for social reform. It is often presumed that a feeling of despair spreads in the contemporary society and is the source of the resignation of not having work capability and luck, and not attributing it to poverty (that is, the situation that people can open up prospects only by escaping from poverty).

The author personally wishes to improve this widespread resignation and realize a bright future, but labour unions will supposedly be unable to meet the expectations. Third-party organizations like NPO (Non-profit Organization) are promising in any way. At the same time, it is supposedly a realistic way to teach managers directly about "What

management is good management" and let managers acquire a social conscience in order to create a bright future with realities through educational opportunities for business managers instead of relying on the existing labour unions.

What should we do if we cannot place expectations on labour unions? Intuitively, it seems that the key will be NPOs and education for business managers, but the author does not have satisfactory answers to this question at this moment. To the author, criticisms by PM scholars seem to be based on the dichotomy between the existing labour union movements and labour-management relations; that is, the current structure and aspect of the present labour unions do not have to change. However, unless realities of the present labour unions change qualitatively and their social significance is reviewed, it is difficult to let labour unions gain importance beyond their significance as a player only to provide a deterrent effect and establish a new direction from the viewpoint of labour-management relations, for the discussion on the future management society and future business administration.

Examples and data-based evidence on the developments of HRM paradigm should have been provided in this paper, which I will try to do in future.

NOTES

- 1) The term "paradigm" in this paper complies with the general usage in social science that implies recognition, thoughts, and values specific to the period. Therefore, the term "HRM paradigm" is used in this paper to indicate the sum of basic recognition and value framework that specifies the thought of "human management" shared by the growing popularity of "human management" since the 1980s. In addition, this term is used for the context-free concept "management of employees by company" that packages both the personnel management (PM) and human resource management (HRM) concepts bound by the context of the period.
- 2) As is generally known, the theory of strategic human resource management (SHRM) has been

growing popular since the 1990s under the influence of the resource-based perspective that regards the internal factor of the company as the source of competitive advantage. In this paper, considering that this convention's uniform theme (the recognition that the shift from PM to HRM becomes a trend in contemporary business administration), we conduct a discussion by including the genealogy of SHRM under the HRM paradigm in the broad sense of the term.

- 3) The HRM models mentioned here are mainly HRM theories positioned as major theories in Bratton and Gold (2003; 2007). For details, please see pp. 21-29 of *Human Resource Management: Theory and Practice* (4th edn), Palgrave, translated by Kambayashi et al.
- 4) The comments made here are the author's personal opinions, and it is impossible to present data to verify them. However, the same opinions can be found in the discipline of contemporary thoughts and philosophy. See Takeda (1992).
- 5) Even though labour unions are not always designed to escape from poverty and realize more diverse and humanistic life of workers, the underlying objective of labour unions is to improve the economic condition of workers, and decrease the difference between management and labour in the economic aspect.

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