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Philosophical Underpinnings of HRM Theory

Introduction

Chapter 2 gives a brief introduction of HRM theories and HRM practices. The HRM system provides a strong sense of equity and of a trustworthy exchange relationship, and assessment and promotion are alleged to mainly depend on an individual’s merits. We have also mentioned that the critics of HRM argue that the ‘soft’ HRM offers a smokescreen for ‘hard’ HRM to cover its unchanged reality, which emphasizes rationality, individualism, control and short-term orientation. In this chapter we will try to examine HRM’s underlying philosophy, which offers the fundamental theoretical support for it.

The concept of HRM originated in the United States, and it reflects ‘a kind of rugged individualism’ (Guest, 1990: 154). Actually, individualism has been seen as one of the most significant attributes of many Western societies (Halevy, 1928; Hofstede, 2001a; Swart, 1962; Lukes, 1973). The basic ideas of individualism, according to Lukes (1973), include human dignity, autonomy, privacy and self-development. By 1840, individualism was supported by an economic doctrine and then became a political doctrine in most Western countries (Lindsay, 1930). The concept of individualism–collectivism is increasingly used as a defining feature of national culture. Triandis (1994) asserts that the individualism–collectivism cultural syndrome appears to be the most significant cultural difference among cultures. Nowadays, individualism has been recognized as a defining characteristic of Western culture in general and American culture in particular (Bellah et al., 1985). Therefore one of the main features associated with HRM is individualism (Sisson, 1990). Different from traditional personnel management, HRM lays less emphasis on formal and collective modes of management–employee
relations, and represents a tendency that shifts to a more informal individualistic orientation (Storey, 1989, 1992); for example the individual appraisal, individual goal setting, individual performance-related pay system and direct communication with the individual are the paradigm of individualistic HRM techniques.

As essentially an American concept, HRM's values embody the consistent themes of the ‘American Dream’ (Guest, 1990, 1992), which endorses an image that everyone gets an equal opportunity and should be able to achieve success as far as he/she works hard enough and is talented enough. The ideal of the American Dream is closely tied to the principle of meritocracy, and in a general way the American Dream is seen as the fulfilment of meritocracy (McNamee and Miller, 2004). Meritocracy refers to an ideal that the appointments of individuals are based upon demonstrated intelligence, ability and efforts (merit). The American Dream represents the cultural ideal of white Anglo-Saxon Protestants (WASPs), an ideal which originated from the Protestant religious sects (McNamee and Miller, 2004). In the late 1970s, organizational theories were predominantly under the influence of the application and extension of ‘functionalist sociology’, which is guided by assumptions that the world is composed of objective and pre-existing entities, such as structures, categories and dynamics (O'Doherty, 2007: 25). For structural functionalism the social world is essentially objective and predictable, and its social relations tend towards natural order and meritocracy; the recruitment and mobilization of the social ‘workers’ depends on the calculable standards of individual achievement. In HRM practices, scientific selection rather than social process selection dominates (Ile and Salaman, 1995): By the use and efficacy of techniques such as interviewing, psychometric testing, or biodata analysis, the merits of employees are tested and classified. Besides, various evaluation systems and rewards systems are based on meritocracy, such as performance reviews, results appraisal and pay for performance/pay for skill.

It is a basic assumption of the Western intellectual and moral tradition that rationality is a central value (Kekes, 1989). The connotations of ‘rationality’ are objectivity, abstraction and detachment; and rationality acts as a symbol of all that the Western philosophy tradition holds precious (Lloyd, 1998). There are two epistemological traditions in Western philosophy – rationalism and empiricism – and these two traditions originated from Greek philosophical thought (Morrison, 1995), such as that of Socrates, Plato and Aristotle. This rational ancient Greek thought deeply influenced the development of modern Western