



# BACK TO THE FUTURE: IMPLICATIONS FOR THE FIELD OF HRM OF THE MULTISTAKEHOLDER PERSPECTIVE PROPOSED 30 YEARS AGO

**MICHAEL BEER, PAUL BOSELIE,  
AND CHRIS BREWSTER**

*Thirty years on from the seminal works on human resource management (HRM) by Beer et al., we examine how the subject has developed. We offer a normative review, based on that model and critique the assumption that the business of HRM is solely to improve returns to owners and shareholders. We identify the importance of a wider view of stakeholders to practitioners and how academic studies on the periphery of HRM are beginning to adopt such a view. We argue that the HRM studies so far have given us much valuable learning but that the subject has now reached a point where we need to take a wider, more contextual, more multilayered approach founded on the long-term needs of all relevant stakeholders. The original Beer et al. model remains a valuable guide to the next 30 years of HRM. © 2015 Wiley Periodicals, Inc.*

*Keywords:* human resource management, multistakeholder perspective, context, Harvard approach, Michigan approach

**H**uman Resource Management (HRM) as an academic discipline is now 30 years old, if we take the publication in 1984 of the classic textbooks by Beer, Spector, Lawrence, Mills, and Walton and by Fombrun, Tichy, and Devanna as the date of birth. Since then, HRM has established itself, gained popularity, and developed a strong position. The 1980s were characterized by debates on the definition and the nature of the concept of HRM (Guest, 1987). The following decade saw the emergence of the concept of strategic human resource management (SHRM) (Wright &

MacMahan, 1992), which developed into empirically testing the link between HRM and long-term success in terms of economic measures of firm performance (Pauwe, Guest, & Wright, 2013). The added value focus that was established then, however, defined outcomes mainly in terms of economic value (productivity and efficiency), and neglected employee well-being and societal well-being (though with notable exceptions; see, for example, J. C. Collins & Porras, 1997; Pfeffer, 1994, 1998). Ironically, this neglect of the human and societal outcomes as equally important with organizational outcomes for assessing

Correspondence to: Michael Beer, Harvard Business School, Soldiers Field, Boston, MA 02163, Phone: 617-495-6655, Fax: 617-495-8736, E-mail: mbeer@hbs.edu

---

**Human Resource Management**, May–June 2015, Vol. 54, No. 3. Pp. 427–438

© 2015 Wiley Periodicals, Inc.

Published online in Wiley Online Library (wileyonlinelibrary.com).

DOI:10.1002/hrm.21726

the effectiveness of an HRM system has made the discipline of HRM successful. It played to a dominant, narrow (though mythical; see Stout, 2012) view that the purpose of the firm is to maximize shareholder value. But we argue that HRM needs to broaden the focus if we are to catch up with leading-edge CEOs and their companies, who

*We argue that HRM needs to broaden the focus if we are to catch up with leading-edge CEOs and their companies, who are redefining the purpose of the firm and consequently their HRM practice in a way first articulated 30 years ago.*

are redefining the purpose of the firm and consequently their HRM practice in a way first articulated 30 years ago by Beer et al. (1984).

This article explores the development of the territory of HRM, taking an avowedly normative stance, arguing that we need to return to the original Beer et al. (1984) text, which emphasized the multiple stakeholders involved, within complex environmental issues, leading to a range of potential outcomes. We argue that in the past 30 years, with some notable exceptions, the field has become successful by developing a narrow focus on economic performance. In the course of doing so, however, it has lost sight of the wider group of stakeholders noted in the Beer et al. (1984) text and, as a result, has become too divorced from fields (such as organizational development, corporate governance, and industrial relations) with which it should be closely connected. This has caused academic HRM to fall behind the wider agenda evident among some leading-edge companies. We therefore propose a new agenda for the subject: going “back to

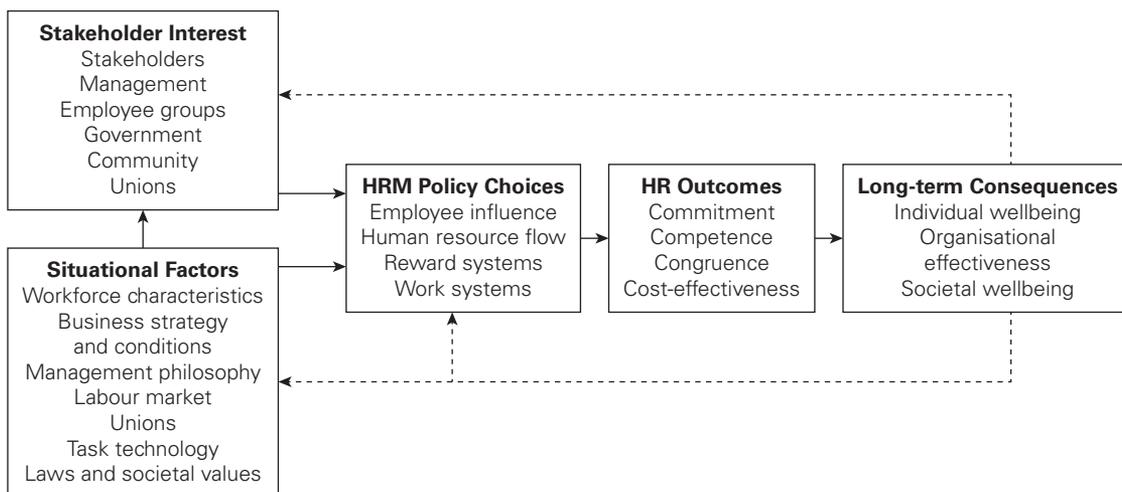
the future” by reengaging with the original Beer et al. model.

the future” by reengaging with the original Beer et al. model.

We proceed by briefly reviewing the original Harvard model and comparing it with the Michigan model, and arguing that the model still broadly reflects the reality with which organizations deal. These models have been highly influential, though they are not without flaws, and in the final section of this article, we argue for a new and wider research agenda. We acknowledge the value of more narrowly focused approaches to HRM, but argue that it is now time to go beyond that and to acknowledge the role of multiple stakeholders that organizations deal with every day and bring our studies back into line with the reality faced by those involved.

### Outlining the Territory

Going back to our roots can be instructive. The early models were developed in the early 1980s in a time of globalization and increasing competitiveness. These now classic models published in 1984 by Beer et al., which in recognition of its authors and its origins was dubbed the Harvard model (Figure 1), and by Fombrun et al., which for similar reasons was called the Michigan model (Figure 2), differentiated the subject from the previous “personnel management” studies. While the latter generally examined the administrative role of personnel departments and personnel processes, using a short-term focus and cost minimization as the key evaluation criteria (Guest, 1987), the new models represented a different way of thinking about employee management: human resource management. This was built on the role of employees as both the major operating cost for most organizations and also human and



Source: Beer et al. (1984), Figure 2-1, p. 16, Map of the HRM Territory.

**FIGURE 1.** The “Harvard” Model (Beer et al., 1984)

social capital, the only resource able to generate value from other resources in order to create organizational success. HRM gave the subject a long-term strategic orientation. Both texts argued that cost-effective HRM was a key to organizational survival and success. Alongside the long-term strategic orientation and human capital focus, both models stressed alignment notions grounded in the strategic contingency models of the 1970s and 1980s (e.g., Lawrence & Lorsch, 1967; Mintzberg, 1979). These approaches emphasized the necessity of internally consistent and externally relevant HRM bundles (internal or horizontal fit) in combination with the importance of aligning such HRM bundles with organization strategy (strategic or vertical fit).

Despite their similarities, there are some crucial differences between the Harvard and the Michigan models (Legge, 1995, 2005). Four differences are central to our argument.

First, and crucially for our argument here, while the Michigan model (Figure 2) is concerned

with returns to shareholders, the Harvard model (Figure 1) acknowledges a range of stakeholders, including not just shareholders but also employees and trade unions, management, community, and government.

Second, the Harvard model applies a social systems perspective, acknowledging, for example, the influence and relevance of multiple stakeholders (internal and external), their social interactions, and their influence on HRM policy choices. The Michigan model, by contrast, put forward an individual perspective, which has been taken up enthusiastically by the industrial psychologists (Godard, 2014; Shields & Grant, 2010) who now, arguably, dominate academic HRM.

Third, linked to the first two differences are varying notions of outcomes. While in the Michigan model outcomes are defined in relation to shareholders, in the Harvard model value creation builds on notions that firms need to:

- Create economic value through organizational effectiveness;
- Contribute to individual well-being; and, since organizations derive their legitimacy from society,
- Have policies and make decisions that will have long-term benefits for the society.

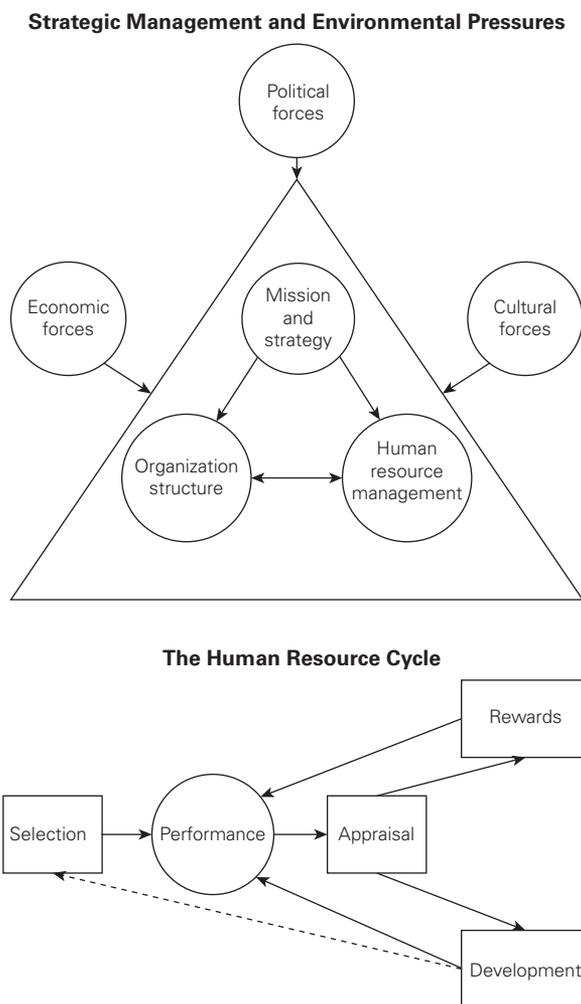
---

*The Harvard model, recognizing that corporations derive their right to exist and supporting resources from society, incorporates a multidimensional performance construct under the heading of long-term consequences.*

---

Hence, the Harvard model, recognizing that corporations derive their right to exist and supporting resources from society, incorporates a multidimensional performance construct under the heading of long-term consequences. This construct includes organizational effectiveness (sustainable organizational and financial outcomes), individual well-being (e.g., satisfaction, commitment, motivation, happiness, fairness, trust, and health), and societal well-being (e.g., the firm's impact on society and its resulting reputation and social legitimacy).

Fourth, the situational factors in the Harvard model comprise three different kinds of antecedents: These are the external elements such as societal values, the laws, the labor market, and the business conditions within which the organization has to work; elements that are more directly under the organization's control but that are limited by previous managerial decisions and history, including the workforce characteristics, the task technology and the unions; and



**FIGURE 2.** The “Michigan” Model (Fombrun et al., 1984)

elements that are directly related to the business but are outside the direct remit of HRM, such as the management philosophy and the business strategy. The situational factors in the Michigan model represent both internal (mission, strategy, and organization structure) and external organization contextual aspects (cultural, economic, and political forces).

These differences in outcomes are reflected in a difference in process. The Harvard model takes a more normative stance, acknowledging multiple stakeholders and defining long-term consequences in terms of a multidimensional performance construct, but it considers employee influence as a central aspect of the HRM policy choices, influencing all other policy areas, such as human resource flows, rewards systems, and work systems. From a European perspective this fits

---

*A multistakeholder perspective also requires HRM research to move beyond the “proper” science paradigm, in which social (and management) science aims to mimic the physical sciences.*

---

the European Democracy models in HRM (Paauwe, 2004) and indeed the HRM course at Harvard Business School included a case on workers’ councils in the Netherlands. An American equivalent voice or influence mechanism is the Strategic Fitness Process that, like several other organizational development (OD) methods, enables employees to speak truth to power about the organization’s alignment with strategy and values (Beer & Eisenstat, 1996, 2004). From the Harvard model perspective, the strategic contingency frameworks (emphasizing the relevance of fit and alignment) are still relevant (Beer, Voelpel, Leibold, & Tekie, 2005), but need to be complemented with a normative values-based framework. The external

elements of the Harvard model foresaw some of the currently developing interest in contextual HRM (Brewster, 1999; Paauwe & Boselie, 2003), thus prefiguring some of the recent work in comparative HRM (Brewster & Mayrhofer, 2012).

A multistakeholder perspective also requires HRM research to move beyond the “proper” science paradigm, in which social (and management) science aims to mimic the physical sciences (yes/no hypotheses, replicated cases, sophisticated statistics) that HRM has so enthusiastically embraced. HRM practitioners operate in a complex world in which multiple outcomes have to be considered. It is, therefore, not surprising that they find little HRM research to be usable or actionable. The much-debated divide between the practitioners of HRM and the academic analysts (Rynes, Colbert, & Brown, 2002;

Rynes, Giluk, & Brown, 2007) mirrors the general management academic/practitioner debate (Guest, 2007; Keiser & Leiner, 2009). The 2007 special issue (no. 5) of the *Academy of Management Journal* is an example of this debate, and the articles in the special issue are all devoted to the disconnection between HRM science and HRM practice. Rynes et al. (2007), for example, find that less than 1% of HRM practitioners read academic HRM publications. In both cases, part of the reason for this divide is that while the pressure in the (social) science world of management and human resource management studies is to become increasingly like “proper” science, practitioners do not operate in a pure science, “all other things being equal” world. They operate in a world where multiple stakeholders are the everyday experience, where practitioners are always conscious of the environment in which they operate, and where satisfying a complex range of (not necessarily entirely compatible) internal and external stakeholders requires the balancing of a range of outcomes. If we are to make our studies relevant, we have to widen the agenda. The multistakeholder perspective we are arguing for will require research that is qualitative and case based, with an action science or action research perspective largely missing from current academic research.

### The First 30 Years of Research

Why was it that HRM academics adopted the narrow focus on financial performance indicators? First, the late 1970s saw the emergence of economics as the dominant paradigm, reflected, for example, in the popularity of agency theory (Jensen, 2010; Jensen & Meckling, 1976). This economic- and incentive-focused concept became one of the leading organization theories on firm capitalization, performance-related pay, corporate governance, and corporate strategy. Economics as the dominant paradigm is also reflected in Murphy and Cooper’s (2000) comments on the dominance of “the enterprise culture” since the 1970s for all organizations, including public-sector organizations.

Second, related to this economic dominance are the approaches to incentives and employee motivation. In the 1980s, neoclassic economics started to dominate one of the key HRM policy domains: compensation. Individual performance-related pay and bonuses were linked to organizational performance (via labor productivity) and financial performance (via sales and profits), with little or no attention to employee well-being or the effects on society (Kim & Ouimet, 2014; Kruse, Freeman, & Blasi, 2010). This assumption

that employees were all “economic men” (in the sexist language of the day), motivated only by extra bonuses, was applied in the financial sector and was arguably one of the reasons for the economic crisis that began in 2008 and caused so much havoc in so many countries. That crisis illuminated the issues raised by previous corporate scandals and the role HRM played in them (Cools, 2009; Farndale, Paauwe, & Boselie, 2010). Economics was hot and sociology (industrial relations in particular) not.

Third, the HRM and performance debate of the mid-1990s introduced a focus on empirical research measuring (1) HRM, (2) performance, and (3) the link between the two concepts (Guest, 1997). Financial performance indicators are easier to measure than nonfinancial performance outcomes, making metrics such as share price, return on investment (ROI), and return on assets (ROA) popular outcome variables in HRM research (Becker, Huselid, Pickus, & Spratt, 1997; Huselid, 1995). Social indicators, for example, representing societal well-being, are much more difficult to measure. Alongside the issue of measurability (financial versus nonfinancial) is the related issue of legitimacy of outcomes. Financial performance indicators such as sales, profits, and market value (Becker & Gerhart, 1996; Becker et al., 1997; Huselid, 1995; Tichy, Fombrun, & Devanna, 1982) have more legitimacy than nonfinancial performance indicators. For most of its history the assumption in the vast majority of HRM studies has been that the sole purpose of HRM is ultimately to improve the financial return to the shareholders.

In effect, HRM colluded with managers and ignored the wider stakeholder perspective, which, as we argue here, is in the process of being reversed by farsighted CEOs (Beer, Eisenstat, Foote, Fredberg, & Norrgren, 2011). Moreover, there is often little consensus on the nature and definition of nonfinancial performance indicators, while profits and the like are broadly accepted as important outcome variables. These critiques were picked up by, for example, Pfeffer (1998), Collins (2001), and Collins and Porras (1994).

The legitimacy of financial measures of HRM was a particularly powerful factor in the Anglo-Saxon, liberal market economies (Amable, 2003; Hall & Soskice, 2001), which were then at the center of most of the work on HRM. In those countries, the study of HRM has tended to concentrate on private-sector organizations and, in some cases, particularly the more researchable and supportive giant, publicly quoted, multinational corporations (MNCs). For academics and for managers in such businesses, the focus on organizational

effectiveness, often narrowly defined as short-term financial success, made sense. Employee well-being and societal well-being were structurally neglected. And when they were taken into account, they were seen as means toward other ends (Kaufman, 2010). For example, employee engagement was argued to be linked to economic success (Harter, Schmidt, & Hayes, 2002), and engagement with the local society created pragmatic legitimacy (Kostova & Zaheer, 1999; Suchman, 1995).

The employee perspective, including social partners such as trade unions and works councils, was often neglected or seen as the exclusive property of psychologists and labor relations scholars. However, from around 2000 onward, increased attention was paid to the employee perspective in SHRM studies (Wright & Boswell, 2002), though even here only limited attention was paid to the impact of such HRM approaches on employee well-being and effects such as stress and burnout, which have received more recent attention (Van De Voorde, Paauwe, & Van Veldhoven, 2012).

There was a similar lack of interest in and evidence about the effect of human resource management policies and practices on the community within which the business operates. Again, with the more recent development of notions such as sustainable HRM (Ehnert & Harry, 2011; Taylor, Osland, & Egri, 2012) and corporate social responsibility (see the special issue of the *International Journal of Management Reviews*, Lindgreen & Swaen, 2010), this is beginning to change. Interestingly, and linked to our argument that the wider view better reflects practitioners’ reality, many of these developments started with practitioners (Palacios-Marqués & Devece-Caranana, 2013).

The notion of the community raises the issue of context. In management theory generally and in HRM specifically, context tends to be assumed. It is sometimes referred to as a control, but in many cases there is an implicit assumption that the findings would apply in all circumstances beyond those in which they were discovered: it is part of the “proper science” response that seeks universal answers (Brewster, 1999). Geographic location, in particular, affects how HRM is understood, which stakeholders it is meant to serve, what practices have legitimacy, and what effects specific practices have (Brewster & Mayrhofer, 2012). Rosenzweig and Nohria (1994) identified many years ago the

---

*In effect, HRM  
colluded with  
managers and  
ignored the wider  
stakeholder  
perspective, which,  
as we argue here,  
is in the process of  
being reversed by  
farsighted CEOs.*

---

fact that HRM is the most localized of management practices, and there is little evidence that countries are getting more alike in the way they conceive of and manage HRM, with the possible exception of the very top executives of multinational firms (Gooderham & Nordhaug, 2011; Mayrhofer, Brewster, Morley, & Ledolter, 2011). Yet the situational factors in the Harvard model are frequently left to one side.

### Barriers to Change

So there are reasons why HRM has found itself in this situation, and there are some serious barriers to changing this. First, there is little or no consensus within the HRM academic community about

---

*Qualitative approaches, including “research by walking around,” action research, and narrative research, which recognize broad theoretical perspectives including multiple stakeholders and contextual factors, are more problematic for young academics seeking tenure.*

---

the topic of study. Attempts to create more consensus on HRM have not been convincing (Guest, 2011). The universalist approach with, currently, a heavy emphasis on human capital theory and the resource based view is very different from the contextual HRM approaches that highlight multiple stakeholders and take into account the institutional environment (Brewster, 1999). With the rise of strategic human resource studies from emerging countries in Asia (N. Collins, Zhu, & Warner, 2012) and South America (Davilla & Elvira, 2012), we can imagine even less consensus on how to conceptualize HRM.

Second, the proposed HRM perspective does not fit very well with contemporary career planning of young academics. In order to get a tenure-track position and to get tenured, publication in a top-ranked international journal has become increasingly important. The most popular research strategy is to apply “proper” science, usually focused

on narrow HRM topics (often single HRM practices), ignoring the complex system in which they exist, collect acceptable quantitative data sets, and apply advanced statistical techniques such as structural equation modeling. By contrast, qualitative research is likely to yield a deeper understanding of the complex reality of HRM in practice and expose the dynamics of organizational systems. Although most of the leading journals have either issued calls for more qualitative research (Doz, 2011) or have such calls in their objectives, qualitative research remains “rare” (Doz, 2011, p. 582). Hence, qualitative approaches, including “research by walking around,” action research,

and narrative research, which recognize broad theoretical perspectives including multiple stakeholders and contextual factors, are more problematic for young academics seeking tenure.

Third, the simplistic “proper science” approach, with its search for universal laws, fits much better with the demands of many practitioners and academics for “straightforward answers.” Pointing out that the management of human beings is a complex and multifaceted task, with no simplistic answers that will apply in all circumstances, may be accurate but leaves the consultants without a product to sell and the practitioners without a solution they can offer their business partners.

Thus, there are vested interests in the situation revealed by much of the HRM research. But we must go beyond that if we intend to be of real value in the future. Going beyond would be a huge challenge if the notion of multiple stakeholders, contextual variation, and complex outcomes were seen by businesses as just a distraction from the serious business of making money or if there was not already a stream of academic activity leading us in this direction. Fortunately, business is taking these concepts seriously, and there is already academic interest in a more complex and realistic view of HRM.

### The Next 30 Years: A Multistakeholder Research Agenda

Such developments are, we believe, pushing the field closer to the reality that practitioners face. Even from the limited financial results point of view, shareholders can suffer if businesses fail to meet the needs of other stakeholders. As George Serafeim (2014) has pointed out, such failures risk punitive fines (Hillman & Keim, 2001), consumer boycotts (Sen, Gurhan-Canli, & Morwitz, 2001), and, directly in our sphere, problems in hiring the most talented people (Greening & Turban, 2000). It has been widely argued in the developing (if ungrammatical) “doing well by doing good” literature (Falck & Heblich, 2007; Laszlo, 2008) that paying attention to all stakeholders will benefit all stakeholders. In other words, taking this wider view is of value to shareholders not at their expense. A Friedmanesque (Friedman, 1970) perspective is as outdated and fallacious in HRM as anywhere else.

In the practitioner world, the corporate social responsibility (CSR) movement is developing into notions of conscious business or conscious capitalism (Mackey & Sisodia, 2013), where these multiple stakeholders and complex objectives are seen as central to the way organizations operate, perhaps foreshadowing the development of “not-just-for-profit” businesses. The member companies of

the Center for Higher Ambition Leadership and the “higher ambition” leaders profiled in a book of that name (Beer et al., 2011) share such ideas, for example.

We do not take a simplistic unitary approach to these issues. Despite the extensive evidence of mutual value, there will, of course, be many occasions where there is a conflict between stakeholders’ perspectives. Shareholders and employee stakeholders may have differing interests (something that forms a central part of the industrial relations literature), and there may be tension between shareholder value and corporate social responsibility (Jones & Nisbet, 2011). So the questions that we academics face concern the way we research a multistakeholder concept of HRM. Fundamental to a multistakeholder approach must be the creation, maintenance, and development of a culture of trust among the different stakeholders. Considering HRM as a social system, in contrast to the dominant individual perspective, puts the relationships between stakeholders at the center of our studies. How, given the inevitable tensions between stakeholders, such relationships can be built and managed should be a crucial part of the HRM research agenda. Because most of the research so far takes a rather limited, financial-value-only approach to organizational performance, it has shed no light on this question. Adopting a multistakeholder perspective on firm performance is more complex, as leading-edge practitioners understand. Our future research agenda could pay more attention to the largely unconsidered aspects of the 1984 Harvard model: the different stakeholders and the varying situations.

The notion of businesses’ responsibility to the different stakeholders and societies in which they operate is hardly a new thought in management studies (Berle & Means, 1932), but there have been large strides in stakeholder theory in recent years (Freeman, Harrison, Wicks, Parmar, & de Colle, 2010), and this is gradually being reflected in HRM. The meanings that people attribute to the way they are treated at work (organizational climate) and the values and assumptions that exist in a workplace (organizational culture) are directly connected to stakeholder satisfaction (Schneider, Ehrhart, & Macey, 2013; see also Heskett, Sasser, & Wheeler, 2008)—these are the very stuff of HRM. Heskett et al. (2008) suggest that getting customers and employees to act as if they were owners is a superhighway to profitability, and the employee part of that at least also falls squarely within the remit of HRM. And HRM research must also investigate how defining a higher purpose for the corporation affects the attraction of the company to

prospective recruits and then creates meaning and commitment.

Research is needed to help explain how firms that intend to treat their owners, employees, customers, and their communities as stakeholders should manage their HRM. Such a firm may be able to find only limited guidance in the current HRM literature. Would HRM policies and practices in multistakeholder-focused firms be, and how would they be, different from HRM in those firms that are focused solely on delivering a return for their shareholders in whatever legal ways they can find? We might propose that the key effects would be as much on the strategic management processes as on the policies themselves—the way that the business designs and implements its leadership development strategies, or its compensation policies, for example. It may be that such firms would be more likely to have extensive two-way communication policies between management staff and employees, particularly perhaps customer-facing employees. In terms of practices, it seems likely that issues of recruitment and selection, development, and retention would become more salient. The recent development of “engagement” as a topic of research would be much strengthened if the outcomes measured were employee well-being (physical and psychological health) as well as business performance, or if engagement could be extended to meaningful influence by employees on organizational arrangements and HRM policies and practices. As another example, “talent management”

may be extended to the release of the wider talent inherent in all members of the workforce on such criteria (Thunnissen, Boselie, & Fruytier, 2013).

There are wider issues, too. At present, there is a research gap in our understanding of the role of leaders in developing a multistakeholder perspective (see the perceptive article by Meyer & Kirby, 2010) and in spreading and fostering the culture of trust needed to make such an approach work (Searle & Dietz, 2012). When leaders do decide to move to a multistakeholder perspective, are we able to help them with ideas about how to do that? Though the numbers in practice seem to be increasing, there are perhaps too few examples in the literature for us to rely on the research to identify what kind of transformation would be required or to be able confidently to assist firms to go about it.

---

*Our future research agenda could pay more attention to the largely unconsidered aspects of the 1984 Harvard model: the different stakeholders and the varying situations.*

---

The widest issue of all may be the question of international comparisons and the role of institutions in fostering a multistakeholder approach. The literature shows that such approaches are more common in, for example, the northern European countries such as the Nordic states and the Netherlands (Amable, 2003; Hall & Soskice, 2001; Ioannou & Serafeim, 2012) and even indicates some of the differences in HRM practices seen in those countries (Wood, Brewster, & Brookes, 2014). But there is very little evidence on why this might be. Do certain institutions such as high levels of trade union membership, or works councils and codetermination, impact the leaders and employees of firms such that they are more likely to develop mutual trust and change the

*Action science approaches are more likely to contribute to our understanding of how to manage alignment between HRM policies and practices and strategy as well as values, exposing the barriers to change, and offer insights into how these barriers may be overcome.*

nature of the culture and climate within the organization? To date, we do not have the research evidence to be able to answer the question.

In addition to these questions arising directly from the Beer et al. (1984) text, there are others gained from the insights obtained from the research over the past three decades that help us to identify key areas that were omitted from both the Beer et al. and the Fombrun et al. 1984 models. These texts miss the important role of customers or clients, both as an influence and as stakeholders. Further, although the Beer et al. (1984) text noted the importance of management philosophy and stressed the responsibility of all managers, it paid less attention than it could have to the role of leadership and line management enactment in the shaping of HRM in organizations (see Beer et al., 2011; Brewster, Brookes, & Gollan, in press; Brewster, Gollan, & Wright,

2014). As a consequence of this omission, there is another: neither book emphasizes the effective implementation of HRM, in particular related to organizational change and development. Recent insights under the headings of “strategy-as-practice” (Regner, 2008) and “HRM implementation strategies” (Becker & Huselid, 2006) refer to the relevance of effective implementation in creating HRM value chains. Effective implementation and HRM implementation strategies require a close connection between HRM “science” and HRM practice beyond the contemporary HRM “proper science” approaches. Action science approaches are more likely to contribute to our understanding of how to manage alignment

between HRM policies and practices and strategy as well as values, exposing the barriers to change, and offer insights into how these barriers may be overcome (Argyris, Putnam, & Smith, 1985). For example, by developing an intervention they called the Strategic Human Resource Fitness Process, Beer and Eisenstat (2004) discovered barriers to changing organizations and their HRM policies and practices.

Finally, and perhaps inevitably in the attempt of a new discipline to differentiate itself, the linkages from HRM to crucial elements of other disciplines are ignored. The linkage between economics and HRM brought many benefits, especially in relation to the HRM/economic performance debate (Guest, Michie, Conway, & Sheehan, 2003; Ichniowski, Shaw, & Prensushi, 1997), but, as we have argued, an economic focus may be producing diminishing returns. Even more useful has been the linkage with psychology (Nishii, Lepak, & Schneider, 2008), particularly in its rigorous approach to theory and methodology and the closely linked field of organizational behavior (Pauwe et al., 2013). But, again, by ignoring the social system and by promoting the notion that the social science of HRM can be addressed through a “proper science” paradigm, they may have relegated important aspects of HRM that need to be studied more in the future. HRM has tended to lose contact with values (Greenwood, 2013), with organizational development (Burnes & Cooke, 2012), with employment relations (Townsend & Wilkinson, 2014), and with corporate governance (Konzelmann, Conway, Trenberth, & Wilkinson, 2006), to take just a few examples.

There are already signs of the integration of values into the study of HRM, particularly reinforced by comparisons between the US studies and those in other cultures, such as China (Warner, 2013) and Turkey (Keles & Aycan, 2011). Organizational behavior specialists generally tend to take a more individualistic or psychological approach than HRM specialists, but clearly this is a blurry line indeed, and more attempts could be made to bring these two fields closer together. Similarly, the links between OD and HRM have tended to atrophy over the years. Not only do we argue that organizational climate and organizational change are key issues for HRM, but the multistakeholder perspective directs us toward notions such as employee-initiated change (see Burnes & Cooke, 2012). Industrial and employment relations studies, by contrast, tend to take a more sociological approach, but since trade unions are a key part of the situational context in many countries, the need for a more positive link with HRM is clear. And corporate governance has been largely absent

from the HRM analyses, though there have been harbingers of the importance of melding the two subjects (Bacon, Wright, Demina, Bruining, & Boselie, 2008; Gospel & Pendleton, 2003), and they have been linked through the mergers and acquisitions literature (Cooke & Huang, 2011; Marks & Mirvis, 2011; Paik & Belcher, 2012).

It is noticeable that many of the texts cited in the previous few paragraphs have been developed from research that was based on either case studies or international comparisons or both. This, too, points the way forward. It will be a challenge, however, for researchers trained in sophisticated statistics and for journals that have not generally published much of this kind of research to enact such a strategy. But these “close up” and “far away” perspectives often provide a more relevant focus on the complexity of HRM. At perhaps the furthest extension of such different research methods is the action research approach discussed earlier. We understand the demand for rigor in the “proper science” approach, but rigor can also be applied to these less common forms of research and, alongside the traditional approaches, can help us gain more understanding of the way HRM works in practice.

## Conclusion

In the practitioner world, the CSR movement is developing into notions of conscious business or conscious capitalism (Mackey & Sisodia, 2013), where these multiple stakeholders and complex objectives are seen as central to the way the business operates, perhaps foreshadowing the development of “not-just-for-profit” businesses. The member companies of the Center for Higher Ambition Leadership and the CEOs profiled by Beer et al. (2011) share these ideas. We believe that 30 years after the publication of the Harvard model of HRM, the time is right for the

academic HRM community to catch up with innovative practitioners and offer research findings about the best way to enact them. This will require a mix of “proper” science, systematic longitudinal case-based research, and action science methods. It is our belief that too much research has been focused on showing a positive relationship between HRM practices and financial performance, though that research has provided important insights. Given that CEOs and their companies are already beginning to move beyond economic value creation as the only purpose of the firm, it is time for HRM researchers to adopt the normative perspective that the Harvard model introduced 30 years ago and conduct research that will help practitioners with the transformation in which they are engaged. Required is research on (1) how HRM practices affect employee and societal well-being; (2) how HRM practices such as performance evaluation, compensation, talent management, and leadership development, to name just a few, change in the context of a multistakeholder firm purpose; (3) how a “doing well by doing good” perspective changes the capacity of the firm to attract and commit people; (4) how the governance of the firm must change with regard to employees and other stakeholders; and (5) how organizations might best go about the process of change itself. Answers to these questions will enable practicing managers to enact their higher ambitions more rapidly and contribute to the business and corporate transformation already under way.

---

*We understand the demand for rigor in the “proper science” approach, but rigor can also be applied to these less common forms of research and, alongside the traditional approaches, can help us gain more understanding of the way HRM works in practice.*

---

**MICHAEL BEER** is Cahners-Rabb Professor of business administration, Emeritus at the Harvard Business School and cofounder of TruePoint, a management consultancy, and the Center for Higher Ambition Leadership, a not-for-profit. He is a well-known authority in the areas of organization effectiveness, organization change, and HRM. Mike is the author of 11 books, including *High Commitment, High Performance* (Jossey-Bass, 2009) and *Higher Ambition* (Harvard Business Review Press, 2011). He is the recipient of numerous professional and academic honors, among them the Academy of Management’s Scholar-Practitioner Award and the Society of Human Resource Management’s Michael C. Losey Research Award.

**PAUL BOSELIE** is professor of strategic HRM at the Utrecht University School of Governance (Utrecht University, the Netherlands), research director, chair of the Dutch HRM Network, and associate editor for the *International Journal of HRM*. Paul is the author of three books, including *Strategic HRM—A Balanced Approach* (McGraw-Hill Education, 2014). His research is focused on the added value of HRM in different institutional and multistakeholder contexts.

**CHRIS BREWSTER** is a part-time professor of international human resource management at Henley Business School, University of Reading, United Kingdom; Vaasa University, Finland; Radboud University, the Netherlands; and ISCTE, Portugal. He had substantial industrial experience before becoming an academic. He has conducted extensive research in the field of international and comparative HRM, and been sole or joint author or editor of 25 books and 200 articles. He has a doctorate from the London School of Economics and an honorary doctorate from the University of Vaasa, and has been awarded the Georges Petitpas Memorial Award by the practitioner body, the World Federation of Personnel Management Associations.

## References

- Amable, B. (2003). *The diversity of modern capitalism*. Oxford, England: Oxford University Press.
- Argyris, C., Putnam, R., & Smith, D. M. (1985). *Action science: Concepts, methods, and skills for research and intervention*. San Francisco, CA: Jossey-Bass.
- Bacon, N., Wright, M., Demina, N., Bruining, H., & Boselie, P. (2008). HRM, buy-outs, and private equity in the UK and the Netherlands. *Human Relations*, 61, 1399–1433.
- Becker, B., & Gerhart, B. (1996). The impact of human resource practices on organizational performance: Progress and prospects. *Academy of Management Journal*, 39, 779–801.
- Becker, B., Huselid, M., Pickus, P., & Spratt, M. (1997). HR as a source of shareholder value: Research and recommendations. *Human Resource Management* 36, 39–47.
- Becker, B. A., & Huselid, M. A. (2006). Strategic human resources management: Where do we go from here? *Journal of Management*, 32(6), 898–925.
- Beer, M., & Eisenstat, R. (1996). Developing an organization capable of implementing strategy and learning. *Human Relations* 49, 597–619.
- Beer, M., & Eisenstat, R. (2004). How to have an honest conversation about your strategy. *Harvard Business Review*, 82, 82–89.
- Beer, M., Eisenstat, R. A., Foote, N., Fredberg, T., & Norrgren, F. (2011). Higher ambition: How great leaders create economic and social value. Cambridge, MA: Harvard University Press.
- Beer, M., Spector, B., Lawrence, P., Mills, D. Q. & Walton, R. (1984). *Human resource management: A general manager's perspective*. New York, NY: Free Press.
- Beer, M., Voelpel, S. C., Leibold, M., & Tekie, E. B. (2005). Strategic management as organizational learning: Developing fit and alignment through a disciplined process. *Long Range Planning*, 38, 445–465.
- Berle, A., & Means, G. (1932). *The modern corporation and private property*. New York, NY: Harcourt, Brace & World.
- Brewster, C. (1999). Strategic human resource management: The value of different paradigms. *Management International Review*, 3, 45–64.
- Brewster, C., Brookes, M., & Gollan, P. (in press). The institutional antecedents of the assignment of HRM responsibilities to line managers. *Human Resource Management*, 54(5).
- Brewster, C., Gollan, P., & Wright, P. M. (2014). Guest editors' note: Human resource management and the line. *Human Resource Management*, 52, 829–838.
- Brewster, C., & Mayrhofer, W. (Eds.). (2012). *Handbook of research on comparative HRM*. Cheltenham, England: Edward Elgar.
- Burnes, B., & Cooke, B. (2012). Review article: The past, present and future of organizational development: Taking the long view. *Human Relations*, 65, 1395–1429.
- Collins, J. (2001). *Good to great: Why some companies make the leap and others don't*. New York, NY: Collins Business.
- Collins, J. C., & Porras, J. I. (1997). *Built to last: Successful habits of visionary companies*. New York, NY: Harper Business.
- Collins, N., Zhu, Y., & Warner, M. (2012). HRM and Asian socialist economies in transition: China, Vietnam and North Korea. In C. Brewster & W. Mayrhofer (Eds.), *Handbook of research on comparative HRM*. Cheltenham, England: Edward Elgar.
- Cooke, F. L., & Huang, K. (2011). Postacquisition evolution of the appraisal and reward system: A study of Chinese IT firms acquired by US firms. *Human Resource Management*, 50, 839–858.
- Cools, K. (2009). Controle is goed, vertrouwen nog beter: Over bestuurders en corporate governance. Stichting Management Studies, vierde druk. [Control is good, trust is even better: Top managers and corporate governance. Foundation of Management Studies, fourth edition]. Assen: Koninklijke van Gorcum.
- Davilla, A., & Elvira, M. (2012). The Latin American HRM model. In C. Brewster & W. Mayrhofer (Eds.), *Handbook of research on comparative HRM*, (Chapter 20, pp. 478–493). Cheltenham, England: Edward Elgar.
- Doz, Y. (2011). Qualitative research for international business. *Journal of International Business Studies*, 42, 582–590.
- Ehnert, I., & Harry, W. (2011). Recent developments and future prospects on sustainable human resource management: Introduction to the special issue. *Management Revue*, 23, 221–238.
- Falck, O., & Heblich, S. (2007). Corporate social responsibility: Doing well by doing good. *Business Horizons*, 50, 247–254.
- Farndale, E., Paauwe, J., & Boselie, P. (2010). An exploratory study of governance in the intra-firm human resources supply chain. *Human Resource Management*, 49, 849–868.
- Fombrun, C., Tichy, N. M., & Devanna, M. A. (Eds.). (1984). *Strategic human resource management*. New York, NY: Wiley.
- Freeman, R., Harrison, J. S., Wicks, A. C., Parmar, B. L., & de Colle, S. (2010). *Stakeholder theory: The state of the art*. New York, NY: Cambridge University Press.

- Friedman, M. (1970). The social responsibility of business is to increase its profits. *New York Times Magazine*, 32, 122–126.
- Godard, J. (2014). The psychologisation of employment relations? *Human Resource Management Journal*, 24(1), 1–18.
- Gooderham, P. N., & Nordhaug, O. (2011). One European model of HRM? Cranet empirical contributions. *Human Resource Management Review*, 21(1), 27–36.
- Gospel, H., & Pendleton, A. (2003). Finance, corporate governance and the management of labour: A conceptual and comparative analysis. *British Journal of Industrial Relations*, 41, 557–582.
- Greening, D. W., & Turban, D. B. (2000). Corporate social performance as a competitive advantage in attracting a quality workforce. *Business & Society*, 39, 254–280.
- Greenwood, M. R. (2013). Ethical analyses of HRM: A review and an agenda. *Journal of Business Ethics*, 114, 355–366.
- Guest, D. E. (1987). Human resource management and industrial relations. *Journal of Management Studies*, 24, 503–521.
- Guest, D. E. (1997). Human resource management and performance: A review and research agenda. *International Journal of Human Resource Management*, 8(3), 263–276.
- Guest, D. E. (2007). Don't shoot the messenger: A wake-up call for academics. *Academy of Management Journal*, 50(5), 1020–1026.
- Guest, D. E. (2011). Human resource management and performance: Still searching for some answers. *Human Resource Management Journal*, 21, 3–13.
- Guest, D. E., Mitchie, J., Conway, N. and Sheehan, M. (2003). Human resource management and corporate performance in the UK. *British Journal of Industrial Relations*, 41(2), 291–314.
- Hall, P., & Soskice, D. (2001). An introduction to the varieties of capitalism. In P. Hall & D. Soskice (Eds.), *Varieties of capitalism: The Institutional basis of competitive advantage*, (pp. 1–70). Oxford, England: Oxford University Press.
- Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*, 87, 268–279.
- Hillman, A. J., & Keim, G. D. (2001). Shareholder value, stakeholder management, and social issues: What's the bottom line? *Strategic Management Journal*, 22, 125–139.
- Heskett, J. L., Sasser, W. E., & Wheeler, J. (2008). *The ownership quotient: Putting the service centre chain to work for unbeatable competitive advantage*. Boston, MA: Harvard Business School Press.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38, 635–672.
- Ichniowski, C., Shaw, K., & Prennushi, G. (1997). The effects of human resource management practices on productivity: A study of steel finishing lines. *American Economic Review*, 87, 291–313.
- Ioannou, I., & Serafeim, G. (2012). What drives corporate social performance? The role of nation-level institutions. *Journal of International Business Studies*, 43, 834–864.
- Jensen, M. C. (2010). Value maximization, stakeholder theory, and the corporate objective function. *Journal of Applied Corporate Finance*, 22, 32–42.
- Jensen, M. C., & Meckling, W. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3, 305–360.
- Jones, B., & Nisbet, P. (2011). Shareholder value versus stakeholder values: CSR and financialization in global food firms. *Socio-Economic Review*, 9, 287–314.
- Kaufman, B. (2010). SHRM theory in the post-Huselid era: Why it is fundamentally mis-specified. *Industrial Relations*, 49, 286–313.
- Keleş, S., & Aycan, Z. (2011). The relationship of managerial values and assumptions with performance management in Turkey: Understanding within culture variability. *International Journal of Human Resource Management*, 22(15), 3080–3096.
- Keiser, A., & Leiner, L. (2009). Why the rigour-relevance gap in management research is unbridgeable. *Journal of Management Studies*, 46, 516–533.
- Kim, E. H., & Ouimet, P. (2014). Broad-based employee stock ownership: Motives and outcomes. *Journal of Finance*, 63, 1273–1319.
- Konzelmann, S., Conway, N., Trenberth, L., & Wilkinson, F. (2006). Corporate governance and human resource management. *British Journal of Industrial Relations*, 44, 541–567.
- Kostova, T., & Zaheer, S. (1999). Organizational legitimacy under conditions of complexity: The case of the multinational enterprise. *Academy of Management Review*, 24, 64–81.
- Kruse, D. L., Freeman, R. B., & Blasi, J. R. (Eds.). (2010). *Shared capitalism at work: Employee ownership, profit and gain sharing, and broad-based stock options*. National Bureau of Economic Research Conference Report.
- Laszlo, C. (2008). *Sustainable value: How the world's leading companies are doing well by doing good*. Stanford, CA: Stanford University Press.
- Lawrence, P. R., & Lorsch, J. W. (1967). Differentiation and integration in complex organizations. *Administrative Science Quarterly*, 12, 1–47.
- Legge, K. (1995). *Human resource management, rhetorics and realities*. London, England: Macmillan Business.
- Legge, K. (2005). *Human resource management: Rhetorics and realities*. Basingstoke, England: Palgrave MacMillan.
- Lindgreen, A., & Swaen, V. (2010). Corporate social responsibility. Special Issue. *International Journal of Management Reviews*, 12, 1–7.
- Mackey, J., & Sisodia, R. (2013). *Conscious capitalism: Liberating the heroic spirit of business*. Boston, MA: Harvard Business Review Press.
- Marks, M. L., & Mirvis, P. H. (2011). A framework for the human resources role in managing culture in mergers and acquisitions. *Human Resource Management*, 50, 859–877.
- Mayrhofer, W., Brewster, C., Morley, M. J., & Ledolter, J. (2011). Hearing a different drummer? Convergence of human resource management in Europe—a longitudinal analysis. *Human Resource Management Review*, 21, 50–67.
- Meyer, C., & Kirby, J. (2010). Leadership in the age of transparency. *Harvard Business Review*, 88(4), 38–46.
- Mintzberg, H. (1979). *The structuring of organizations*. London, England: Prentice Hall.

- Murphy, L. R., & Cooper, C. L. (Eds.). (2000). *Healthy and productive work*. London, England: Taylor and Francis.
- Nishii, L. H., Lepak, D. P., & Schneider, B. (2008). Employee attributions of the “why” of HR practices: Their effects on employee attitudes and behaviors, and customer satisfaction. *Personnel Psychology*, 61, 503–545.
- Paauwe, J. (2004). *HRM and performance: Achieving long-term viability*. Oxford, England: Oxford University Press.
- Paauwe, J., & Boselie, P. (2003). Challenging “strategic HRM” and the relevance of the institutional setting. *Human Resource Management Journal*, 13, 56–70.
- Paauwe, J., Guest, D., & Wright, P. M. (Eds.). (2013). *HRM and performance: Achievements and challenges*. Chichester, England: Wiley.
- Paik, Y., & Belcher, J. S. (2012). Key HRM strategies for M&A integration in the global banking industry: A comparative study of the USA, Europe and South America. *European Journal of International Management*, 6, 676–696.
- Palacios-Marqués, D., & Devece-Caranana, C. A. (2013). Policies to support corporate social responsibility: The case of Telefónica. *Human Resource Management*, 52, 145–152.
- Pfeffer, J. (1994). *Competitive advantage through people*. Boston, MA: Harvard University Press.
- Pfeffer, J. (1998). *The human equation: Building profits by putting people first*. Cambridge, MA: Harvard University Press.
- Regner, P. (2008). Strategy-as-practice and dynamic capabilities: Steps towards a dynamic view of strategy. *Human Relations*, 61(4), 565–588.
- Rosenzweig, P. M., & Nohria, N. (1994). Influences on human resource management practices in multinational corporations. *Journal of International Business Studies*, 25, 229–251.
- Rynes, S. L., Colbert, A. E., & Brown, K. G. (2002). HR professionals’ beliefs about effective human resource practices: Correspondence between research and practice. *Human Resource Management*, 42, 149–174.
- Rynes, S. L., Giluk, T. L., & Brown, K. G. (2007). The very separate worlds of academic and practitioner periodicals in human resource management: Implications for evidence-based management. *Academy of Management Journal*, 50, 587–1008.
- Searle, R. H., & Dietz, G. (2012). Trust and HRM: Current insights and future directions. *Human Resource Management Journal*, 22, 333–342.
- Schneider, B., Ehrhart, M. G., & Macey, W. H. (2013). Organizational climate and culture. *Annual Review of Psychology*, 64, 361–388.
- Sen, S., Gurhan-Canli, Z., & Morwitz, V. (2001). Withholding consumption: A social dilemma perspective on consumer boycotts. *Journal of Consumer Research*, 28, 399–417.
- Serafeim, G. (2014). *The role of the corporation in society: An alternative view and opportunities for research*. Boston, MA: Harvard Working Papers, 1–28.
- Shields, J., & Grant, D. (2010). Psychologising the subject: HRM, commodification, and the objectification of labour. *Economic and Labour Relations Review*, 20, 61–76.
- Stout, L. (2012). *The shareholder value myth: How putting shareholders first harms investors, corporations and the general public*. San Francisco, CA: Barrett-Koehler.
- Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Journal*, 20, 571–610.
- Taylor, J., Osland, J., & Egri, C. P. (2012). Introduction to HRM’s role in sustainability: Systems, strategies, and practice. *Human Resource Management*, 51, 789–798.
- Tichy, N., Fombrun, C. J., & Devanna, M. A. (1982). Strategic human resource management. *Sloan Management Review*, 23, 47–60.
- Thunnissen, M., Boselie, P., & Fruytier, B. (2013). Talent management and the relevance of context: Towards a pluralistic approach. *Human Resource Management Review*, 23(4), 326–336.
- Townsend, K., & Wilkinson, A. (2014). Time to re-connect the silos? Similarities and differences in employment relations and human resources. *Human Resource Management*, 53, 203–214.
- Van De Voorde, K., Paauwe, J., & Van Veldhoven, M. J. P. M. (2012). Employee well-being and the HRM–organizational performance relationship: A review of quantitative studies. *International Journal of Management Reviews*, 14, 391–407.
- Warner, M. (Ed.). (2013). *Society and HRM in China*. Abingdon, England: Routledge.
- Wood, G. T., Brewster, C., & Brookes, M. (2014). *Human resource management and the institutional perspective*. London, England: Routledge.
- Wright, P. M., & Boswell, W. R. (2002). Desegregating HRM: A review and synthesis of micro and macro human resource management research. *Journal of Management*, 28, 247–276.
- Wright, P. M., & MacMahan, C. G. (1992). Theoretical perspectives for strategic human resource management. *Journal of Management*, 18, 295–321.